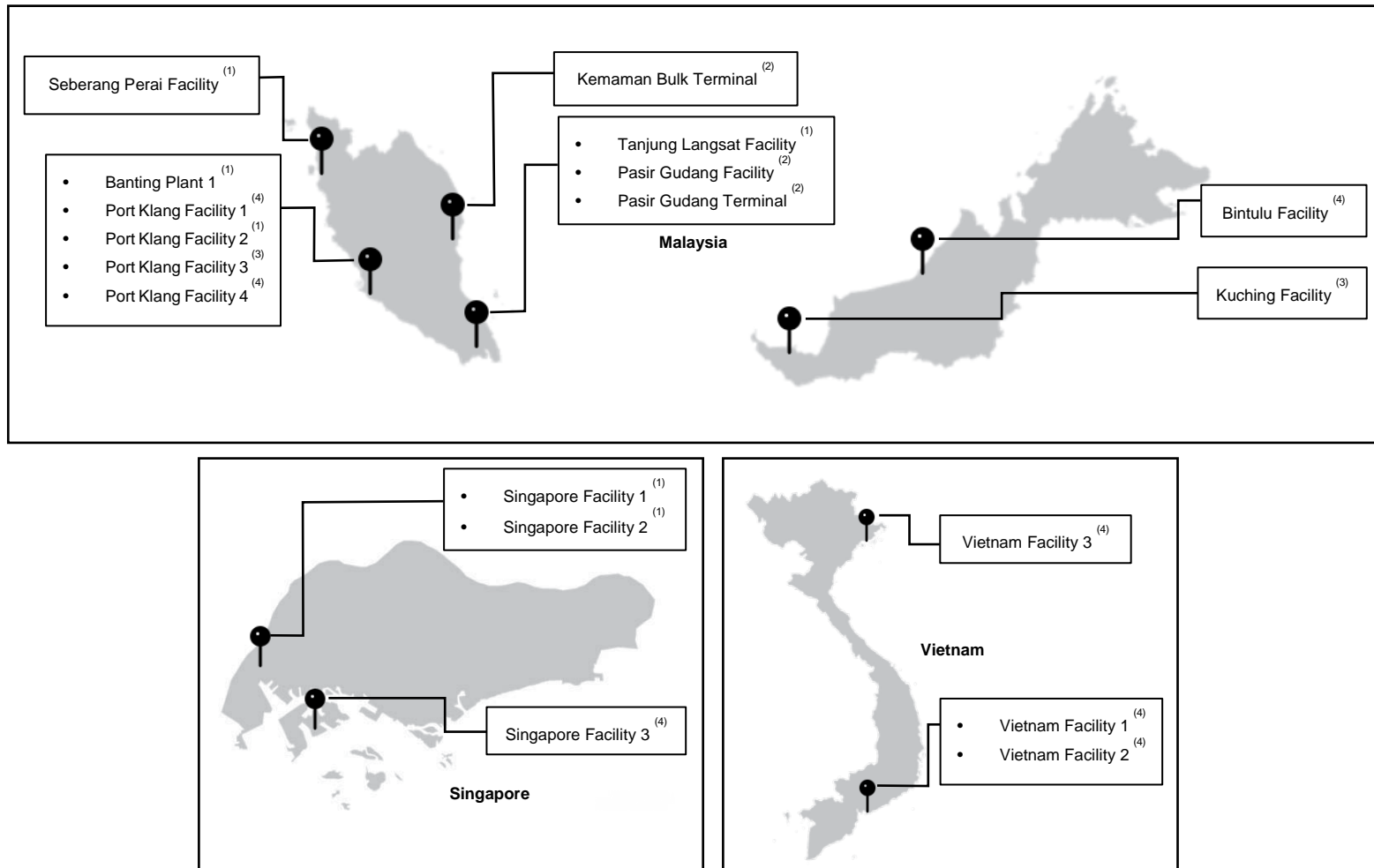


7. BUSINESS OVERVIEW (Cont'd)

7.2.3 Our facilities, terminals and manufacturing plant

As at the LPD, our Group has 15 facilities across Malaysia, Singapore and Vietnam, comprising in-house operated facilities and third-party facilities, for our provision of total chemical management. We also own and operate 2 terminals in Malaysia for our provision of chemical terminal services, as well as a manufacturing plant in Banting, Selangor. The following map sets out the locations of our facilities and terminals in Malaysia, Singapore and Vietnam:



7. BUSINESS OVERVIEW (Cont'd)

Notes:

- (1) Owned facility.
- (2) Leased facility.
- (3) Rented facility.
- (4) 3rd party facility.

The illustration for our types of facilities, terminals and manufacturing plant are set out below:

- (i) **Liquid bulk facility, processing facility, handling and storage facility**
- (ii) **Dry bulk facility**



7. BUSINESS OVERVIEW (Cont'd)

(iii) Liquid bulk terminal



(iv) Manufacturing plant



The details of our facilities and terminals in Malaysia, Singapore and Vietnam, as well as our manufacturing plant in Malaysia are set out in the tables below:

(i) Malaysia

<u>Location</u>	<u>Owned/ Leased/ Rented/ 3rd Party</u>	<u>Land area (approximate)</u>	<u>Facilities type</u>	<u>Operational carried out</u>	<u>activities</u>	<u>Type of inorganic chemicals stored/ manufactured</u>	<u>Distribution size</u>
Port Klang, Selangor (Port Klang Facility 1)	3 rd party ⁽¹⁾	N/A ⁽²⁾	Liquid bulk facility	Warehousing of our Group's liquid bulk and packaging inorganic chemicals		Acids, alkalis	Bulk and individual packaging
Port Klang, Selangor (Port Klang Facility 2)	Owned	15,008 m ²	Liquid bulk facility, processing facility, handling and storage facility	Warehousing, processing, and handling and storage of our Group's liquid and dry packaging inorganic chemicals		Acids, alkalis, salts, other chemical products	Individual packaging

7. BUSINESS OVERVIEW (Cont'd)

Location	Owned/ Leased/ Rented/ 3 rd Party	Land area (approximate)	Facilities type	Operational carried out	activities	Type of inorganic chemicals stored/ manufactured	Distribution size
Port Klang, Selangor (Port Klang Facility 3)	Rented	697 m ²	Product improvement facility	Product improvement activities (i.e. customising of chemical products for specific industrial uses for customers)		Acids, alkalis, salts, other chemical products	-
Port Klang, Selangor (Port Klang Facility 4)	3 rd party ⁽¹⁾	N/A ⁽²⁾	Dry bulk facility	Warehousing of our Group's dry bulk inorganic chemicals		Alkalis, salts	Bulk
Tanjung Langsat, Johor (Tanjung Langsat Facility)	Owned	28,310 m ²	Dry bulk facility, handling and storage facility	Warehousing, and handling and storage of our Group's dry bulk and dry packaging inorganic chemicals		Alkalis, salts	Bulk and individual packaging
Pasir Gudang, Johor (Pasir Gudang Facility)	Leased	20,144 m ²	Liquid bulk facility, processing facility, handling and storage facility	Warehousing, processing, and handling and storage of our Group's liquid and dry packaging inorganic chemicals		Acids, alkalis, salts, other chemical products	Individual packaging
Pasir Gudang, Johor (Pasir Gudang Terminal)	Leased	19,211 m ²	Liquid bulk terminal	Storage of our customer's liquid bulk chemicals and warehousing of our Group's liquid bulk chemicals		Acids, alkalis, salts, other chemical products	Bulk
Bukit Mertajam, Penang (Seberang Perai Facility)	Owned	10,843 m ²	Liquid bulk facility, processing facility, handling and storage facility	Warehousing, processing, and handling and storage of our Group's liquid and dry packaging inorganic chemicals		Acids, alkalis, salts, other chemical products	Individual packaging

7. BUSINESS OVERVIEW (Cont'd)

Location	Owned/ Leased/ Rented/ 3 rd Party	Land area (approximate)	Facilities type	Operational carried out	activities	Type of inorganic chemicals stored/ manufactured	Distribution size
Kemaman, Terengganu (Kemaman Bulk Terminal)	Leased	50,000 m ²	Liquid bulk terminal	Warehousing of our Group's liquid bulk chemicals		Acids	Bulk
Kuching, Sarawak (Kuching Facility)	Rented	12,141 m ²	Processing facility, handling and storage facility	Warehousing, processing, and handling and storage of our Group's liquid and dry packaging inorganic chemicals		Acids, alkalis, salts, other chemical products	Individual packaging
Bintulu, Sarawak (Bintulu Facility)	3 rd party ⁽¹⁾	N/A ⁽²⁾	Liquid bulk facility, handling and storage facility	Warehousing of our Group's liquid bulk and packaging inorganic chemicals, and provision of handling and storage services on behalf of our Group		Acids, alkalis	Bulk and individual packaging
Banting, Selangor (Banting Plant 1)	Owned	178,800 m ²	Manufacturing plant	Manufacturing of inorganic chemicals		Acids, alkalis, salts	Bulk

Notes:

(1) Refers to the engagement of third-party warehousing services to store our Group's products and/or to provide handling and storage services to our customers.

(2) The measurement of land area is not applicable for facilities of 3rd parties engaged to provide warehousing services to our Group.

7. BUSINESS OVERVIEW (Cont'd)

(ii) Singapore

<u>Location</u>	<u>Owned/ Leased/ Rented/ 3rd Party</u>	<u>Land area (approximate)</u>	<u>Facilities type</u>	<u>Operational activities carried out</u>	<u>Types of inorganic chemicals stored</u>	<u>Distribution size</u>
Tuas Avenue (Singapore Facility 1)	Owned	2,927.5 m ²	Liquid bulk facility, processing facility, handling and storage facility	Warehousing, processing, and handling and storage of our Group's liquid bulk, and liquid and dry packaging inorganic chemicals	Acids, alkalis, salts, other chemical products	Bulk and individual packaging
Tuas Avenue (Singapore Facility 2)	Owned	6,820 m ²	Liquid bulk facility, processing facility, handling and storage facility	Warehousing, processing, and handling and storage of our Group's liquid bulk, and liquid and dry packaging inorganic chemicals	Acids, alkalis, salts, other chemical products	Bulk and individual packaging
Sakra Avenue (Singapore Facility 3)	3 rd party ⁽¹⁾	N/A ⁽²⁾	Liquid bulk facility, handling and storage facility	Warehousing of our Group's liquid bulk inorganic chemicals, and provision of handling and storage services on behalf of our Group	Alkalis	Bulk and individual packaging

Notes:

(1) Refers to the engagement of third-party warehousing services to store our Group's products and/or to provide handling and storage services to our customers.

(2) The measurement of land area is not applicable for facilities of 3rd parties engaged to provide warehousing services to our Group.

7. BUSINESS OVERVIEW (Cont'd)

(iii) Vietnam

<u>Location</u>	<u>Owned/ Leased/ Rented/ 3rd Party</u>	<u>Land area (approximate)</u>	<u>Facilities type</u>	<u>Operational activities carried out</u>	<u>Types of inorganic chemicals stored</u>	<u>Distribution size</u>
Phu My Town, Ba Ria – Vung Tau Province (Vietnam Facility 1)	3 rd party ⁽¹⁾	N/A ⁽²⁾	Dry bulk facility, handling and storage facility	Warehousing of our Group's dry bulk and dry packaging inorganic chemicals, and provision of handling and storage services on behalf of our Group	Alkalis	Bulk and individual packaging
Phu My Town, Ba Ria – Vung Tau Province (Vietnam Facility 2)	3 rd party ⁽¹⁾	N/A ⁽²⁾	Liquid bulk facility	Warehousing of our Group's liquid bulk inorganic chemicals	Acids	Bulk
Ha Long City, Quang Ninh Province (Vietnam Facility 3)	3 rd party ⁽¹⁾	N/A ⁽²⁾	Dry bulk facility, handling and storage facility	Warehousing of our Group's dry bulk and dry packaging inorganic chemicals, and provision of handling and storage services on behalf of our Group	Alkalis	Bulk and individual packaging

Notes:

(1) Refers to the engagement of third-party warehousing services to store our Group's products and/or to provide handling and storage services to our customers.

(2) The measurement of land area is not applicable for facilities of 3rd parties engaged to provide warehousing services to our Group.

See Section 7.7 of this Prospectus for further details on the operating performance, throughput rates and occupancy rates of our facilities and terminals.

7. BUSINESS OVERVIEW (Cont'd)

7.2.4 Our offices

Our Group's headquarters are located in Petaling Jaya, Selangor, in which centralised administrative, human resources, accounts and finance functions are carried out. We also have offices located within 10 of our facilities across Peninsular Malaysia and East Malaysia (i.e. 4 offices in Selangor, 3 offices in Johor, 1 office in Penang, 1 office in Terengganu, and 1 office in Sarawak respectively) to manage the operations of the respective facilities, as well as 1 regional sales office located in Ipoh to carry out sales and sales support activities. We also operate 2 offices in Singapore, in Tuas and Neil Road respectively, and 1 head office in Ho Chi Minh City, Vietnam.

7.2.5 Our customers

Our customers are primarily manufacturers and industrial companies that use inorganic chemicals to support their daily operational processes, manufacturing activities, and/or industrial applications. We may also sell our inorganic chemicals to intermediaries such as trading companies and distributors.

Due to the wide application of inorganic chemicals, we have a diversified customer base which encompasses a wide range of industries as set out in the table below. Given the diversified industries that we serve, our business risks are mitigated as the impact of market volatility on our business is reduced where the slowdown of one industry may be compensated by the growth of another industry.

The industries of our customers and the types of inorganic chemicals we supply which serve as raw materials and materials to support industrial operations are as follows:

Examples of industries	Type of inorganic chemicals used
Agrichemical and livestock farming	Chlorine, hydrochloric acid, nitric acid, potassium hydroxide, phosphoric acid, sodium hydroxide (i.e. caustic soda), sulphuric acid
Automobiles and automobile parts	Calcium chloride, nitric acid, potassium hydroxide, sodium hydroxide (i.e. caustic soda), sodium silicate
Chemicals and specialty chemicals	All inorganic chemicals
Cosmetics and personal care products	Hydrochloric acid, nitric acid, sodium hydroxide (i.e. caustic soda), sodium hypochlorite
Cleaning agents and detergents	Hydrochloric acid, sodium carbonate (i.e. soda ash), sodium hydroxide (i.e. caustic soda), sodium hypochlorite, sodium silicate, sodium sulphate
Electrical and electronic products	Calcium chloride, hydrochloric acid, nitric acid, sodium hydroxide (i.e. caustic soda), sodium silicate, sulphuric acid
Glass	Sodium carbonate (i.e. soda ash), sodium sulphate
Healthcare and pharmaceuticals products	Aluminium sulphate, hydrochloric acid
Plastics and plastic products	Hydrochloric acid, salt, sodium carbonate (i.e. soda ash)
Pulp and paper	Aluminium sulphate, sodium hydroxide (i.e. caustic soda), sodium hypochlorite, sodium silicate, sodium sulphate
Rubber products	Chlorine, sodium hydroxide (i.e. caustic soda), sodium hypochlorite, sulphur

7. BUSINESS OVERVIEW (Cont'd)

Examples of industries	Type of inorganic chemicals used
Textiles	Salt, sodium carbonate (i.e. soda ash), sodium hypochlorite, sodium sulphate
Construction and building materials	Calcium chloride, chlorine, hydrochloric acid, potassium hydroxide, sodium carbonate (i.e. soda ash), sodium hydroxide (i.e. caustic soda), sodium silicate
Metal and metal goods	Aluminium sulphate, hydrochloric acid, nitric acid, phosphoric acid, sodium carbonate (i.e. soda ash), sodium hydroxide (i.e. caustic soda), sodium silicate, sulphuric acid
Edible oils and fats, food and beverages	Aluminium sulphate, hydrochloric acid, phosphoric acid, salt, sodium carbonate (i.e. soda ash), sodium hydroxide (i.e. caustic soda), sodium hypochlorite, sodium silicate, sulphuric acid
Oil and gas	Hydrochloric acid, potassium hydroxide, sodium carbonate (i.e. soda ash), sodium hydroxide (i.e. caustic soda), sodium silicate
Utilities	Aluminium sulphate, chlorine, hydrochloric acid, sodium carbonate (i.e. soda ash), sodium hydroxide (i.e. caustic soda), sodium hypochlorite

Our sales to customers are conducted on the basis of spot transactions or contract sales. Spot transactions are sales in which the price, quantity and delivery date are fixed upfront with the customer, typically for a one-time delivery within one month after the spot transaction have been entered into. Contract sales are sales in which the pricing basis, quantity and delivery schedule are set for a longer time period of up to 5 years, under which an agreed quantity of our chemicals is delivered to the customer each month within the period of the contract.

7.3 PRINCIPAL MARKETS

For the Periods Under Review, revenue from our provision of total chemical management segment was the largest contributor as it contributed 99.1%, 99.4%, 99.2%, and 99.2% to our Group's total revenue respectively. The breakdown of our revenue by principal business segments for the Periods Under Review is as follows:

Principal business segment	FYE 31 December						FPE 30 June	
	2021		2022		2023		2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Provision of total chemical management	1,116,942	99.1	1,475,887	99.4	1,295,762	99.2	653,844	99.2
Provision of chemical terminal services	9,902	0.9	8,451	0.6	10,334	0.8	5,590	0.8
Manufacturing of inorganic chemicals	- (1)	- (1)	- (1)	- (1)	- (1)	- (1)	- (1)	- (1)
Total	1,126,844	100.0	1,484,338	100.0	1,306,096	100.0	659,434	100.0

7. BUSINESS OVERVIEW (Cont'd)**Note:**

(1) There was no revenue recorded for our manufacturing of inorganic chemicals segment in the Periods Under Review as we commenced the manufacturing of inorganic chemicals in May 2024. For FPE 2024, TMK Banting sold its manufactured inorganic chemical products to TMK. The revenue of RM19.5 million from these sales was eliminated during the preparation of the Consolidated Financial Statements.

Our Group's principal market is in Malaysia, Singapore and Vietnam in which our operations are located. Revenue from our operations in Malaysia was the largest contributor as it contributed 58.7%, 58.4%, 54.3%, and 48.5% to our Group's revenue in the Periods Under Review. During this period, our Group also derived revenue from 26 overseas countries for our export sales. The breakdown of our revenue by principal markets in the Periods Under Review is as follows:

Principal markets	FYE 31 December						FPE 30 June	
	2021		2022		2023		2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	661,610	58.7	866,922	58.4	708,898	54.3	320,140	48.5
Overseas:	465,234	41.3	617,416	41.6	597,198	45.7	339,294	51.5
Vietnam	249,905	22.2	316,341	21.3	278,249	21.3	169,538	25.7
Singapore	185,476	16.5	264,964	17.9	271,592	20.7	142,870	21.7
Indonesia	5,919	0.5	7,921	0.5	12,922	1.0	8,368	1.3
United States of America	6,272	0.6	3,375	0.2	6,157	0.5	3,849	0.6
Australia	5,836	0.5	6,011	0.4	6,366	0.5	2,266	0.3
Others ⁽¹⁾	11,836	1.0	18,804	1.3	21,912	1.7	12,403	1.9
Total	1,126,844	100.0	1,484,338	100.0	1,306,096	100.0	659,434	100.0

Note:

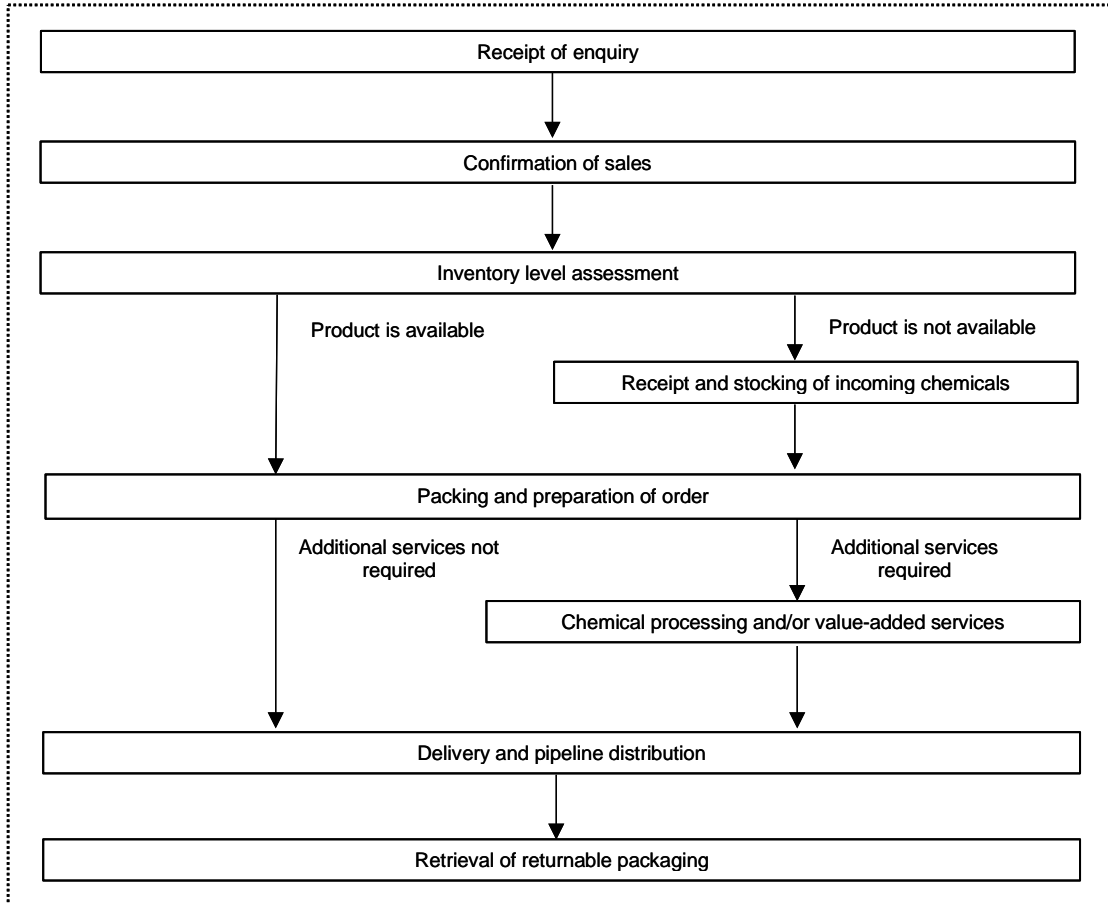
(1) Comprises Brunei, Cambodia, China, Fiji, Hong Kong, India, Italy, Japan, Maldives, Marshall Islands, Monaco, Myanmar, Netherlands, New Zealand, Panama, Papua New Guinea, Philippines, South Korea, Sri Lanka, Taiwan, Thailand, United Arab Emirates and United Kingdom. The individual contribution of each of these countries to our Group's revenue in the Periods Under Review is less than 0.5%.

7. BUSINESS OVERVIEW (Cont'd)

7.4 OPERATIONAL PROCESSES AND TECHNOLOGY USED

7.4.1 Process flow for the provision of total chemical management

The operational process flow for our provision of total chemical management is set out as follows:



(i) Receipt of enquiry, confirmation of sales and inventory level assessment

Upon receiving enquiry from customers, we will issue a quotation to the customer based on the type, grades, concentration, form and volume of chemicals required, packaging type, customers' delivery location, delivery schedule, as well as processing and value-added services requests, if any. Customers will issue a purchase order to confirm the sales.

We will check our inventory for the availability of the chemicals ordered. We conduct inventory level assessment on a daily basis to identify the chemicals to be replenished. The inventory level at which each chemical is to be replenished depends on the sales order received, turnover rate of the chemicals, and the lead time for the chemical to arrive at our facilities.

If our inventory level at a particular facility is insufficient, we will submit purchase orders to our suppliers for the replenishment of our inventory or divert inventory from our other facilities.

7. BUSINESS OVERVIEW (Cont'd)

(ii) Receipt and storage of incoming chemicals

We receive and store the chemicals ordered at our facilities, namely our liquid bulk facilities, dry bulk facilities, and handling and storage facilities. Our liquid bulk and dry bulk facilities receive liquid bulk chemicals and dry bulk chemicals from our suppliers respectively, in tankers. Our handling and storage facilities receive liquid and dry packaging chemicals from our suppliers in lorries. All incoming chemicals will undergo quality control inspection upon receipt, such as weighing, visual inspection and/or laboratory testing prior to storage in our facilities. If the specifications of the incoming chemicals are not in accordance with the purchase order, we will return the chemicals to our suppliers.

Liquid bulk chemicals are stored in storage tanks at our liquid bulk facilities. Dry bulk chemicals are piled in heaps or stored in jumbo bags at our dry bulk facilities. Liquid packaging chemicals are stored in individual carboys, drums and IBCs whereas dry packaging chemicals are stored in individual bags, at our handling and storage facilities.

(iii) Packing and preparation of order

Confirmed orders will be forwarded to the relevant employees at our facilities to pack and prepare the products for delivery, according to the delivery schedule.

(iv) Chemical processing and/or value-added services

When required, we also provide chemical processing services and/or value-added services to our customers:

- Chemical processing services entail the customisation of chemicals to achieve customer's product specification and customised concentrations through dissolving, blending or dilution. Processing of inorganic chemicals alters the form, flow, colour, concentration and purity of chemicals to achieve the desired result. Based on the customer's specification, a production sheet detailing the quantities of chemicals, water and additives for a particular process, is prepared. The required quantities of chemical, water and additives will be weighed and mixed, and subsequently undergo dissolving, blending or dilution.

Samples of the dissolved, blended or diluted product are collected for testing until the product meets the required specification. Once processing is completed, the final liquid product will be transferred into the relevant liquid packaging and stored at a designated storage site.

- Value-added services comprise handling and storage services, and pre-sales and after-sales support services. For our handling and storage services, we repack our customer's chemicals into individual and customised packaging and/or with customised labelling at our handling and storage facilities, as well as receive and store our customer's chemicals at our facilities, according to our customer's instructions.

For our pre-sales and after-sales support services, we advise our customers on products which are suited to their industrial applications, work with our customers to enhance and improve the products according to their needs, and assist our customers in managing chemical emergencies, site safety inspections, and recycling and waste management.

(v) Delivery and pipeline distribution

Once the products are ready for delivery, logistics arrangements will be made for the delivery of the chemicals to our customers. Depending on the delivery schedule, location and the availability of in-house transportation, we will utilise either our in-house transportation or third-party logistics services to deliver the chemicals to our customers.

7. BUSINESS OVERVIEW (Cont'd)

The collection documentation of each delivery vehicle will be inspected upon arrival to ensure the collection of the correct outgoing chemicals. All outgoing chemicals will undergo physical inspection, weighing and sample testing to inspect the quantity and quality of the chemicals prior to release.

Liquid bulk and dry bulk outgoing chemicals are delivered to our customers in tankers. Liquid and dry packaging outgoing chemicals are delivered to our customers in individual carboys, drums, IBCs and bags, using lorries.

For customers located within the vicinity of our facilities, and with installed pipelines connecting our storage tank to our customer's storage tank, we will release the chemicals to these customers through the pipelines.

Upon the receipt and verification of the delivery by our customer, we will proceed to invoice the delivery.

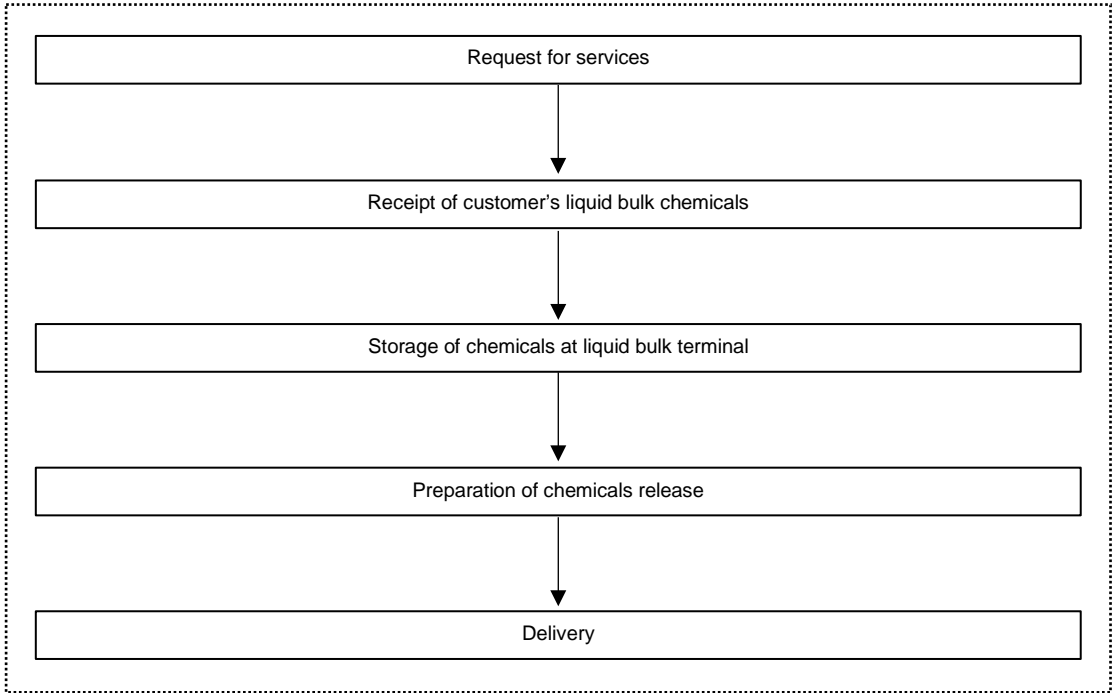
(vi) Retrieval of returnable packaging

Where outgoing chemicals are delivered using returnable packaging such as drums and IBCs, our in-house delivery service or third-party logistics services will collect the returnable packaging from our customers. The returnable packaging will be inspected at our customer's premise to ensure that the packaging collected belongs to our Group, as well as the correct number of units of packaging are returned.

Following this, the returnable packaging is transported to the facility from which it was released and we will conduct inspections to ensure that there are no defect or contamination observed on the packaging during that cycle of delivery. If the returned packaging is in good condition, our Group will notify the customer of the successful return of the packaging. If defects or contamination are observed on the returned packaging, we will notify our customer of the damages and the repair cost to be incurred that will be borne by them.

7.4.2 Process flow for the provision of chemical terminal services

The operational process flow for our provision of chemical terminal services is set out as follows:



7. BUSINESS OVERVIEW (Cont'd)

(i) Request for services

Upon receiving a request from our customer for our chemical terminal services, we will issue a quotation to our customer. Once our customer has confirmed the order, we will proceed to prepare the storage tanks at our liquid bulk terminal to receive and store our customer's product.

(ii) Receipt and storage of incoming chemicals

We receive our customer's liquid bulk chemicals directly from ocean vessels at our terminal that is located within the port. The chemicals will be pumped from the ocean vessels through installed pipelines that connect to our storage tanks located within the terminal.

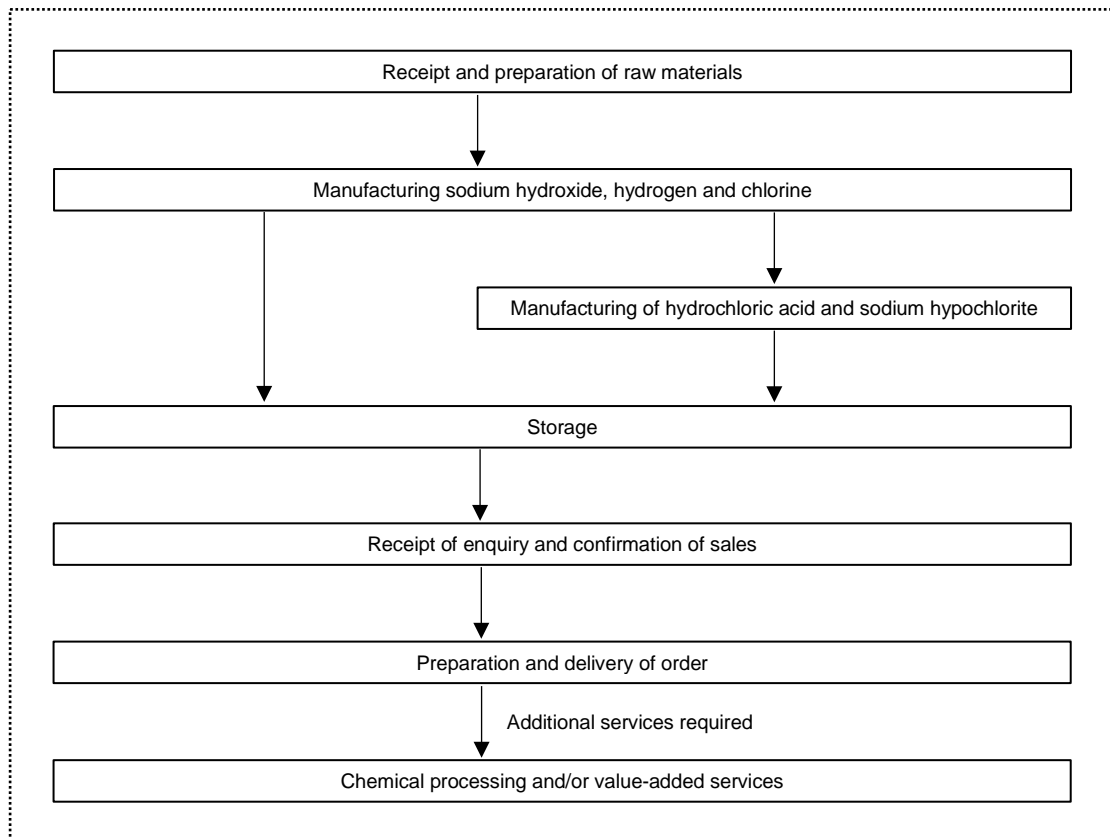
(iii) Preparation and delivery of chemicals

When we receive a release order from our customer, we will proceed to prepare the chemicals for delivery. Following that, logistics arrangements will be made for the delivery of the liquid bulk chemicals to our customers. Depending on the delivery schedule, location and the availability of in-house transportation, we will utilise either our in-house transportation or third-party logistics services to deliver the chemicals to our customers.

The collection documentation of each vehicle will be inspected upon arrival to ensure the collection of the correct outgoing chemicals. All outgoing chemicals will undergo weighing and sample testing to inspect the quantity and quality of the chemicals prior to release. The outgoing chemicals will then be filled into the tanker.

Upon the receipt and verification of the delivery by our customer, we will proceed to invoice the delivery.

7.4.3 Process flow for chemical manufacturing



7. BUSINESS OVERVIEW (Cont'd)

(i) Receipt and preparation of raw materials

We receive raw materials, primarily salt, at our manufacturing plant and store the raw materials at a designated storage area in preparation for manufacturing.

Salt and water will then be mixed together to prepare brine solution for the manufacturing of chlor-alkali derivatives.

(ii) Manufacturing of sodium hydroxide, hydrogen, chlorine, hydrochloric acid and sodium hypochlorite

The brine solution then undergoes electrolysis to manufacture liquid sodium hydroxide, hydrogen gas and chlorine gas. The manufactured liquid sodium hydroxide and chlorine gas can be sold as final products, or undergo further processing to produce other products.

Hydrogen and chlorine obtained from the electrolysis of brine will be utilised for the manufacturing of hydrochloric acid. Sodium hydroxide and chlorine obtained from the electrolysis of brine will be utilised for the manufacturing of sodium hypochlorite.

(iii) Storage

The sodium hydroxide, chlorine, hydrochloric acid and sodium hypochlorite will then be stored in their respective storage tanks. The chlorine gas is cooled and liquefied prior to storage.

(iv) Receipt of enquiry and confirmation of sales

Upon receiving enquiry from customers, we will issue a quotation to the customer based on the type, grades, concentration and volume of chemicals required, packaging type, customers' delivery location, delivery schedule, as well as processing and value-added services requests, if any. Customers will issue a purchase order to confirm the sales.

(v) Preparation and delivery of order

We will prepare the chemicals manufactured for delivery and make logistics arrangements for the delivery of the chemicals to our customers. Depending on the delivery schedule, location and the availability of in-house transportation, we will utilise either our in-house transportation or third-party logistics services to deliver the chemicals to our customers.

The collection documentation of each tanker or lorry will be inspected upon arrival to ensure the collection of the correct outgoing chemicals. All outgoing chemicals will undergo physical inspection, weighing and/or sample testing to inspect the quantity and quality of the chemicals prior to release. The sodium hydroxide, hydrochloric acid and sodium hypochlorite will be filled into the tankers for delivery. The chlorine drums will be transferred onto the lorries for delivery.

Upon the receipt and verification of the delivery by our customers, we will proceed to invoice the delivery.

(vi) Chemical processing and/or value-added services

If our customer requires chemical processing and/or value-added services, we will first deliver the chemicals manufactured to our processing facility or handling and storage facility located nearest to our customer's location to carry out these services. See Section 7.4.1(iv) for further details on the process flow for chemical processing and value-added services. Once the products are ready, we will deliver the products to our customers. Upon the receipt and verification of the delivery by our customers, we will proceed to invoice the delivery.

7. BUSINESS OVERVIEW (Cont'd)

7.4.4 Technology used

We utilise various types of technology, comprising machinery, equipment and digital systems, to support our daily operations in the provision of total chemical management and chemical terminal services, as well as manufacturing activities as follows:

Technology	Description
Automatic filling machines	Machines used to fill liquid chemicals into individual containers with volume ranging from 5 L to 1,000 L, which increases the accuracy of volumes filled and reduces human error.
Automatic tank gauging	An electronic device that is installed within storage tanks to monitor the level of chemicals and provides alerts in the event that the volume exceeded the permitted limit to prevent overflow. The device is also able to cut off pumping activity when tank levels are below the permitted limit to protect the pumps against dry running.
Batch controllers	An instrument which controls the amount of chemical filled into a drum or tanker, thus reducing reliance on manual operators as well as increasing safety and consistency of quantity filled.
Chemical oxygen demand measuring instrument	A device that is primarily used to analyse the amount of oxygen that will be consumed by a chemical reaction.
Digital pH and conductivity meter	A device that is used to measure the pH value, electrical potential and temperature of liquid samples.
Flocculator	A device that is used to conduct jar test analysis to evaluate the reaction of chemicals with liquid samples while being stirred at a uniform rate.
Gas chromatography thermal conductivity detector	A device which detects and analyses inorganic gases and small hydrocarbon molecules that is used to inspect the purity of the gases manufactured.
Gas detector system	Gas detectors devices installed throughout our Banting Plant 1, and portable gas detectors that are carried by our employees at all our facilities to detect leakage of toxic fumes such as chlorine fumes and hydrochloric acid fumes, and to provide alerts to ensure the safety of our employees.
Grounding system	A system that increases safety when filling flammable chemicals into tankers, in which tankers are connected to an electrical grounding wire during the automatic filling process to prevent sparks due to the build-up of electrostatic charges during filling. The filling is automatically stopped if the electrical grounding wire is not connected.
Inductively coupled plasma optical emission spectroscopy	A device that is used to detect trace contaminants in the chemicals at our Banting Plant 1.
In-house asset tracking system	A system that is used to track the location and status of returnable packaging (e.g. drums and IBCs), in order to ensure the proper management of our returnable packaging.
Portable colorimeter	A handheld device that is used to measure and analyse the quality of water, including the chlorine and fluoride content.

7. BUSINESS OVERVIEW (Cont'd)

Technology	Description
Scrubber system	Cylindrical towers where toxic fumes such as chlorine fumes and hydrochloric acid fumes are channelled into the scrubber and the treating of toxic fumes is carried out, upon which the treated air is discharged to the environment.
Spectrophotometer	A device that is used to detect impurities in liquid samples.

7.5 QUALITY ASSURANCE AND QUALITY CONTROL

Our Group places strong emphasis on the quality of our chemicals. We are committed to ensuring that the quality management system that we have put in place is in accordance with internationally recognised standards and practices. We have adopted internal quality management assurance policies to ensure that our operational processes comply with the required product quality and environmental safety standards.

The certifications of compliance to quality assurance and quality control on our products are as shown below:

Standard	Certification body	Date first awarded	Current validity period	Scope of certification
ISO 9001:2015 Management System	SGS United Kingdom Ltd ⁽¹⁾	4 November 2019	4 November 2022 – 3 November 2025	Fulfilling the requirements for management system for the provision of trading, warehousing, manufacturing, and distribution of chemicals
ISO 9001:2015 Management System	SGS (Malaysia) Sdn Bhd ⁽¹⁾	10 November 2019	10 November 2022 – 9 November 2025	Fulfilling the requirements for management system for the provision of trading, warehousing, manufacturing, and distribution of chemicals
ISO 14001:2015 Environmental Management System	BSI Assurance UK Limited	20 March 2023	20 March 2023 – 19 March 2026	Fulfilling the requirements for environmental management system for the provision of marketing, production, warehousing and distribution of chemicals
Certificate of Conformity for Good Distribution Practice for Medical Devices ⁽²⁾	Medivice Certification Sdn Bhd	14 September 2022	27 September 2023 – 13 September 2025	Authorised representative for the import, distribution (including transportation), storage and handling and documentation (including traceability) of medical devices ⁽²⁾

Notes:

- (1) Where a certification of compliance to a quality assurance and quality control standard is awarded by both a local and an international certification body, the certification is recognised both locally and internationally.

7. BUSINESS OVERVIEW (Cont'd)

(2) This certification certifies that we are able to maintain the quality, safety and performance of medical devices throughout the supply chain, which includes supply of chemicals classified as medical devices.

- The certifications of compliance to quality assurance and quality control on our products are renewed once every 2 to 3 years, depending on the validity period of the respective certifications.

Further, we also undertake regular quality inspections upon the receipt and release of each batch of our chemicals. We will conduct in-house quality inspections such as weighing, visual inspection and/or laboratory testing on all the chemicals we receive. We will also conduct similar in-house quality inspections on chemicals that have undergone processing and/or handling prior to the release of those chemicals for delivery to our customers.

7.6 TYPES, SOURCES AND AVAILABILITY OF SUPPLIES

Our purchases primarily comprise inorganic chemicals, as well as other chemical products, which are procured for onward sale to our customers as follows:

Supplies	FYE 31 December						FPE 30 June	
	2021		2022		2023		2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Acids	161,191	18.4	217,439	18.2	159,925	15.3	69,705	14.1
Alkalis	528,461	60.3	773,870	64.9	676,476	64.6	346,426	70.1
Salts	141,517	16.1	166,465	14.0	179,544	17.1	20,912	4.2
Other chemical products ⁽¹⁾	45,159	5.2	35,045	2.9	31,613	3.0	57,094	11.6
Total purchases	876,328	100.0	1,192,819	100.0	1,047,558	100.0	494,137	100.0

Notes:

(1) Comprise chemicals such as oleochemical, sulphur and iron powder.

- Other cost of sales such as staff costs and related expenses, facility-related costs, depreciation costs, other operating costs and transportation charges are not categorised as costs of goods sold. Hence, these are not included as purchases in the table above.

Our Group has not encountered any major disruptions in the purchase of chemicals in the Periods Under Review. Our chemicals are generally readily available and can be easily sourced from local and international suppliers.

We purchase chemicals based on purchase orders or sales contracts directly negotiated with our suppliers. As chemicals are commodities, they are exposed to price volatility resulting from global supply and demand conditions. As such, our financial performance may be adversely impacted if we are unable to pass on any increase in cost of supplies to our customers. In the Periods Under Review, we have not experienced any material impact on our financial performance as a result of volatility in chemical prices as we are able to pass on the increase in cost to our customers on a timely basis. See Section 12.2.2 of this Prospectus for further details on the impact of price volatility on our financial conditions and results of operations, and Section 5.2.2 for the risks on the exposure to price volatility.

7. BUSINESS OVERVIEW (Cont'd)

7.7 OPERATING PERFORMANCE, THROUGHPUT RATES, OCCUPANCY RATES AND MANUFACTURING CAPACITY

We operate through our facilities and terminals located across Malaysia, Singapore and Vietnam. The measurement of utilisation rate of our facilities and terminals is affected by various factors such as constant movement of goods in and out of our facilities, a combination of storage tanks which can store a large volume of a particular chemical together with storage areas for the storage of various other chemicals in individual packaging in our facilities, storage of empty individual packaging, and industry purchasing practices whereby purchases will be made when chemical quantities are low. Given the abovementioned factors, we are unable to measure the utilisation rate of our Group's facilities using storage tank capacity and/or space utilised to store the chemicals. Hence, the measurement of operating performance, throughput rates and occupancy rates are instead used to represent our Group's utilisation rate.

The operating performance of our Group is measured based on the throughput rate of our facilities and terminals. For each facility or terminal, the performance (i.e. MT sold per m² of available storage space or number of tank turnovers) is measured by dividing the actual sales output (in MT) to the total space available for storage (in m² for facility area, or MT for tanks). The facility or terminal that recorded the highest performance in the Periods Under Review for each facility type is used as the benchmark for comparison for all other facilities of that type in the same country, whereby every other facility's performance is measured against this benchmark to obtain the throughput rate. For each facility, the throughput rate is measured by dividing the annual operating performance of the facility by the benchmark for comparison.

The operating performance and throughput rates are measured for facilities and terminals owned, rented and leased by our Group. Third party facilities are excluded from this measurement as it is a purchase of services and we do not operate these facilities.

The performance of the individual facilities and terminals and the measurement of throughput rates in the Periods Under Review are as set out in the tables below:

Liquid bulk facilities

	Facility area (m ²)	FYE 2021		FYE 2022		FYE 2023		FPE 2024		Benchmark ⁽¹⁾	Throughput rate (%)			
		Sales (MT)	Performance (MT/m ²)	Sales (MT)	Performance (MT/m ²)	Sales (MT)	Performance (MT/m ²)	Sales (MT)	Performance (MT/m ²)		FYE 2021	FYE 2022	FYE 2023	FPE 2024
Malaysia														
Port Klang Facility 2	6,984	46,076	6.6	44,668	6.4	53,270	7.6	27,084	3.9	8.6	76.7	74.4	88.4	45.3 ⁽²⁾
Pasir Gudang Facility	10,224	88,357	8.6	83,145	8.1	47,144	4.6	45,175	4.4		100.0	94.2	53.5 ⁽³⁾	51.2 ⁽²⁾
Seberang Perai Facility	3,420	28,041	8.2	24,460	7.2	26,479	7.7	14,957	4.4		95.3	83.7	89.5	51.2 ⁽²⁾

7. BUSINESS OVERVIEW (Cont'd)

	Facility area (m ²)	FYE 2021		FYE 2022		FYE 2023		FPE 2024		Benchmark (1)	Throughput rate (%)			
		Sales (MT)	Performance (MT/m ²)	Sales (MT)	Performance (MT/m ²)	Sales (MT)	Performance (MT/m ²)	Sales (MT)	Performance (MT/m ²)		FYE 2021	FYE 2022	FYE 2023	FPE 2024
Kuching Facility	1,723	8,525	4.9	7,043	4.1	5,464	3.2	4,045	2.3		57.0	47.7	37.2 ⁽⁴⁾	26.7 ⁽²⁾
Singapore														
Singapore Facility 1 and 2 ⁽⁵⁾	4,761	76,198	16.0	81,899	17.2	89,155	18.7	48,307	10.1	18.7	85.6	92.0	100.0	54.0 ⁽²⁾

Dry bulk facility

	Facility area (m ²)	FYE 2021		FYE 2022		FYE 2023		FPE 2024		Benchmark (1)	Throughput rate (%)			
		Sales (MT)	Performance (MT/m ²)	Sales (MT)	Performance (MT/m ²)	Sales (MT)	Performance (MT/m ²)	Sales (MT)	Performance (MT/m ²)		FYE 2021	FYE 2022	FYE 2023	FPE 2024
Malaysia														
Tanjung Langsat Facility	16,166	- ⁽⁶⁾	- ⁽⁶⁾	- ⁽⁶⁾	- ⁽⁶⁾	93,035	5.8	90,923	5.6	5.8	- ⁽⁶⁾	- ⁽⁶⁾	100.0	96.6 ⁽²⁾

Liquid bulk terminals

	Performance (Number of tank turnovers)				Benchmark (1)	Throughput rate (%)			
	FYE 2021	FYE 2022	FYE 2023	FPE 2024		FYE 2021	FYE 2022	FYE 2023	FPE 2024
Malaysia									
Pasir Gudang Terminal	3.3	3.7	3.4	1.9	3.7	89.2	100.0	91.9	51.3 ⁽²⁾
Kemaman Bulk Terminal	- ⁽⁶⁾	- ⁽⁶⁾	1.7	0.4		- ⁽⁶⁾	- ⁽⁶⁾	45.9	10.8 ⁽²⁾

7. BUSINESS OVERVIEW (Cont'd)

Notes:

- (1) Similar facility type that recorded the highest operating performance in the Periods Under Review is adopted as the benchmark for the measurement of throughput rate. However, the operating performance and throughput rate is measured based on our historical sales achieved in the Periods Under Review and it may increase in the future subject to increase in total working hours and the frequency of inventory turnover which is a factor of sales.
 - (2) Calculated based on operating performance for the 6-month period of FPE 30 June 2024.
 - (3) The lower throughput rate for our Pasir Gudang Facility in FYE 2023 was due to the transfer of dry packaging inventory from our Pasir Gudang Facility to our Tanjung Langsat Facility, upon the commencement of operations at the latter facility in FYE 2023.
 - (4) The lower throughput rate for our Kuching Facility in FYE 2023 was due to lower demand from the solar and hard disk industries, hence we strategically transferred our inventory from our Kuching Facility to our other facilities.
 - (5) The measurement of performance and throughput rates for Singapore Facility 1 and Singapore Facility 2 are combined as these are facilities of the same type and are located adjacent to one another. As such, Singapore Facility 1 and Singapore Facility 2 are used interchangeably for our operations in Singapore.
 - (6) There were no sales, performance and throughput rates recorded for Tanjung Langsat Facility and Kemaman Bulk Terminal in the FYEs 2021 and 2022 as these facilities commenced operations in the FYE 2023.
- The measurement of performance and throughput rates for Port Klang Facility 1, Port Klang Facility 4, Bintulu Facility, Singapore Facility 3, Vietnam Facility 1, Vietnam Facility 2 and Vietnam Facility 3 are excluded from the table above as these are third party facilities in which our Group engaged their warehousing services and do not operate these facilities. Port Klang Facility 3 is also excluded as it is a product improvement facility where chemical products are customised for specific industrial uses for customers.

In the Periods Under Review, our chemical terminal services are provided through our Pasir Gudang Terminal which had a total of 20 storage tanks in each of the financial years. Of these storage tanks, 12, 12, 13 and 13 storage tanks respectively in the Periods Under Review were allocated for the storage of our customers' products as part of our provision of chemical terminal services. The number of dedicated storage tanks, actual number of tanks occupied and occupancy rate of the tanks at our Pasir Gudang Terminal for the Periods Under Review are as set out in the table below:

Liquid bulk terminal	Number of dedicated storage tanks				Actual number of tanks occupied				Occupancy rate (%)			
	FYE 2021	FYE 2022	FYE 2023	FPE 2024	FYE 2021	FYE 2022	FYE 2023	FPE 2024	FYE 2021	FYE 2022	FYE 2023	FPE 2024
Pasir Gudang Terminal	12.0	12.0	13.0	13.0	11.5	9.0	9.6	10.0	95.8	75.0	73.7	76.9

We commenced operations at our Banting Plant 1 in May 2024. The manufacturing capacity, actual production and utilisation rate of our Banting Plant 1 for FPE 2024 is as set out below:

7. BUSINESS OVERVIEW (Cont'd)

Manufacturing plant	Manufacturing capacity (MT) ⁽¹⁾	FPE 2024	
		Actual production (MT)	Utilisation rate (%)
Banting Plant 1	36,000	24,633 ⁽²⁾	74.4

Notes:

(1) Derived based on the annual design capacity of 216,000 MT of Banting Plant 1 for the production of sodium hydroxide at a concentration of 32%. 216,000 MT divided by 12 months is equivalent to a monthly manufacturing capacity of 18,000 MT. Hence, a 2-month manufacturing capacity for May 2024 and June 2024 is equivalent to 36,000 MT.

The annual design capacity of 216,000 MT of Banting Plant 1 is determined by assuming a fixed product mix of the chemicals produced. The production of sodium hydroxide at a concentration of 32% serves as a suitable benchmark as it results in a high volume produced, thereby reducing the possibility of having a utilisation rate that exceeds 100%. The annual design capacity of Banting Plant 1 may vary depending on the type and concentration of chemicals manufactured, where a higher concentration will result in a lower volume produced, vice versa.

(2) Comprises actual production figures for May 2024 and June 2024.

7. BUSINESS OVERVIEW (Cont'd)**7.8 MAJOR CUSTOMERS**

Our top five major customers by revenue for the Periods Under Review are as follows:

FYE 31 December 2021

Major customers	Country of origin	Type of products and services sold	Length of relationship as at the LPD (years)	Revenue (RM'000)	% of our Group's revenue
Customer A	Vietnam	Provision of total chemical management for alkalis	3	86,056	7.6
Customer B	Malaysia	Provision of total chemical management and chemical terminal services for acids, alkalis, salts and other chemical products	26	60,702	5.4
CCM Chemicals Sdn Bhd	Malaysia	Provision of total chemical management and chemical terminal services for acids, alkalis, salts and other chemical products	19	31,553	2.8
Customer C	Vietnam	Provision of total chemical management for alkalis	11	30,061	2.7
Customer D	Singapore	Provision of total chemical management and chemical terminal services for acids, alkalis, salts and other chemical products	15	26,113	2.3
			Sub-total	234,485	20.8
			Total revenue	1,126,844	100.00

FYE 31 December 2022

Major customers	Country of origin	Type of products and services sold	Length of relationship as at the LPD (years)	Revenue (RM'000)	% of our Group's revenue
Customer A	Vietnam	Provision of total chemical management for alkalis	3	107,348	7.2
Customer B	Malaysia	Provision of total chemical management and chemical terminal services for acids, alkalis, salts and other chemical products	26	80,694	5.4

7. BUSINESS OVERVIEW (Cont'd)

Major customers	Country of origin	Type of products and services sold	Length of relationship as at the LPD (years)	Revenue (RM'000)	% of our Group's revenue
Customer E	Vietnam	Provision of total chemical management for alkalis	12	40,045	2.7
Customer D	Singapore	Provision of total chemical management and chemical terminal services for acids, alkalis, salts and other chemical products	15	37,108	2.5
CCM Chemicals Sdn Bhd	Malaysia	Provision of total chemical management and chemical terminal services for acids, alkalis, salts and other chemical products	19	35,316	2.4
Sub-total Total revenue				300,511	20.2
				1,484,338	100.0

FYE 31 December 2023

Major customers	Country of presence	Type of products and services sold	Length of relationship as at the LPD (years)	Revenue (RM'000)	% of our Group's revenue
Customer A	Vietnam	Provision of total chemical management for alkalis	3	113,377	8.7
Customer B	Malaysia	Provision of total chemical management and chemical terminal services for acids, alkalis, salts and other chemical products	26	76,111	5.8
Customer D	Singapore	Provision of total chemical management and chemical terminal services for acids, alkalis, salts and other chemical products	15	48,174	3.7
CCM Chemicals Sdn Bhd	Malaysia	Provision of total chemical management for acids, alkalis, salts and other chemical products	19	46,011	3.5
Malay-Sino Chemical Industries Sdn Bhd	Malaysia	Provision of total chemical management for alkalis, salts and other chemical products	34	41,702	3.2

7. BUSINESS OVERVIEW (Cont'd)

				Sub-total	325,375	24.9
				Total revenue	1,306,096	100.00
<u>FPE 30 June 2024</u>						
Major customers	Country of presence	Type of products and services sold	Length of relationship as at the LPD (years)	Revenue (RM'000)	% of our Group's revenue	
Customer A	Vietnam	Provision of total chemical management for alkalis	3	73,882	11.2	
Customer B	Malaysia	Provision of total chemical management and chemical terminal services for acids, alkalis, salts and other chemical products	26	34,728	5.3	
Customer D	Singapore	Provision of total chemical management for acids, alkalis, salts and other chemical products	15	30,392	4.6	
Customer C	Vietnam	Provision of total chemical management for alkalis	11	25,615	3.9	
Customer F	Malaysia	Provision of total chemical management for alkalis	23	17,553	2.6	
				Sub-total	182,171	27.6
				Total revenue	659,434	100.00

Note:

- *Customer C and Customer F are subsidiaries of the same holding company.*

For the Periods Under Review, our top 5 major customers collectively contributed 20.8%, 20.2%, 24.9%, and 27.6% to our Group's total revenue respectively. Our largest customer for the Periods Under Review was Customer A which contributed 7.6%, 7.2%, 8.7%, and 11.2% of our Group's total revenue respectively. For the Periods Under Review, our Group had ongoing long-term sales agreements with a duration of 2 years or more with Customer B and Customer D. Save as disclosed above, we did not have any long-term sales agreements with any of our other major customers in the Periods Under Review.

For the Periods Under Review, we serve customers in Malaysia, Singapore and Vietnam, as well as 26 overseas countries, and our products can be used in a wide range of industries. Further, we have a wide customer base from a diverse range of industries, comprising local customers and international customers from countries such as Vietnam, Singapore, Indonesia, Australia, and United States of America. In the Periods Under Review, our products and services were sold to over 1,200 customers. Premised on the aforementioned, we are not dependent on any of our major customers as we can easily sell our products to other customers locally and overseas.

7. BUSINESS OVERVIEW (Cont'd)**7.9 MAJOR SUPPLIERS**

Our top five major suppliers by purchases for the Periods Under Review are as follows:

FYE 31 December 2021

Major suppliers	Country of origin	Type of purchases	Length of relationship as at the LPD (years)	Purchases (RM'000)	% of our Group's purchases
Supplier A	United States	Alkalis	17	249,246	28.4
Malay-Sino Chemical Industries Sdn Bhd	Malaysia	Acids, alkalis, salts and other chemical products	34	185,259	21.1
See Sen Chemical Bhd	Malaysia	Acids, alkalis, salts and other chemical products	33	48,271	5.5
Supplier B	United States	Acids and alkalis	15	39,998	4.6
Supplier C	Australia	Salts	33	34,625	4.0
			Sub-total	557,399	63.6
			Total purchases	876,328	100.00

FYE 31 December 2022

Major suppliers	Country of origin	Type of purchases	Length of relationship as at the LPD (years)	Purchases (RM'000)	% of our Group's purchases
Supplier A	United States	Alkalis	17	325,806	27.3
Malay-Sino Chemical Industries Sdn Bhd	Malaysia	Acids, alkalis, salts and other chemical products	34	225,074	18.9
Supplier D	Japan	Acids and alkalis	13	60,552	5.1
See Sen Chemical Bhd	Malaysia	Acids, alkalis, salts and other chemical products	33	53,967	4.5
Supplier C	Australia	Salts	33	44,641	3.7
			Sub-total	710,040	59.5
			Total purchases	1,192,819	100.00

7. BUSINESS OVERVIEW (Cont'd)**FYE 31 December 2023**

Major suppliers	Country of origin	Type of purchases	Length of relationship as at the LPD (years)	Purchases (RM'000)	% of our Group's purchases
Supplier A	United States	Alkalis	17	317,393	30.3
Malay-Sino Chemical Industries Sdn Bhd	Malaysia	Acids, alkalis, salts and other chemical products	34	158,221	15.1
Supplier C	Australia	Salts and other chemical products	33	79,289	7.6
See Sen Chemical Bhd	Malaysia	Acids, salts and other chemical products	33	48,416	4.6
Supplier D	Japan	Acids and alkalis	13	41,864	4.0
			Sub-total	645,183	61.6
			Total purchases	1,047,558	100.00

FPE 30 June 2024

Major suppliers	Country of origin	Type of purchases	Length of relationship as at the LPD (years)	Purchases (RM'000)	% of our Group's purchases
Supplier A	United States	Alkalis	17	169,739	34.3
Malay-Sino Chemical Industries Sdn Bhd	Malaysia	Acids, alkalis and salts	34	65,985	13.4
Supplier E	Malaysia	Alkalis and other chemical products	19	30,587	6.2
Supplier F	Thailand	Alkalis and other chemical products	2	26,724	5.4
See Sen Chemical Bhd	Malaysia	Acids, alkalis, salts and other chemical products	33	24,068	4.9
			Sub-total	317,103	64.2
			Total purchases	494,137	100.00

Note:

- *Malay-Sino Chemical Industries Sdn Bhd and See Sen Chemical Bhd are subsidiaries of Batu Kawan Berhad.*

7. BUSINESS OVERVIEW (Cont'd)

For the Periods Under Review, our top 5 major suppliers collectively contributed 63.6%, 59.5%, 61.6%, and 64.2% to our Group's total purchases respectively. For the Periods Under Review, our Group had ongoing long-term sales agreements with a duration of 2 years or more with Supplier A, Malay-Sino Chemical Industries Sdn Bhd, See Sen Chemical Bhd, and Supplier C. Save as disclosed above, we did not have any long-term agreements with any of our other major suppliers in the Periods Under Review.

Malay-Sino Chemical Industries Sdn Bhd and Supplier A were our largest suppliers in the Periods Under Review. Malay-Sino Chemical Industries Sdn Bhd contributed 21.1%, 18.9%, 15.1%, and 13.4%, whereas Supplier A contributed 28.4%, 27.3%, 30.3%, and 34.3% respectively to our Group's total purchases in the Periods Under Review. We purchased acids, alkalis, salts and other chemical products from Malay-Sino Chemical Industries Sdn Bhd, and alkalis from Supplier A. We are not dependent on Malay-Sino Chemical Industries Sdn Bhd and Supplier A as we are able to easily source similar products of comparable quality and at similarly competitive prices from other suppliers in the event of any disruption or delay in supply from Malay-Sino Chemical Industries Sdn Bhd and Supplier A.

Despite the level of purchases from Malay-Sino Chemical Industries Sdn Bhd and Supplier A, there is no concentration risk as our Group is not dependent on these major suppliers and is able to maintain the sustainability of our business operations due to the following factors:

- (i) Our Group has a wide base of inorganic chemicals suppliers. Our Group's suppliers comprise of chemical manufacturers and distributors who are local companies or foreign companies from countries such as Australia, Japan and the United States. In the past 3 FYEs 2021 to 2023, our Group sourced chemical supplies from over 200 suppliers;
- (ii) Our major suppliers will inform us whether our forecasted demand can be met. In the event our major supplier is not able to meet our demand, we will actively look for replacement suppliers or new suppliers to make up for the shortfall in supplies;
- (iii) We are not dependent on Supplier A as we are able to source the alkalis supplied by Supplier A from other suppliers at competitive prices as well as similar quality and quantity, if required; and
- (iv) Upon the commencement of operations at our Banting Plant 1, we began producing all the acids, alkalis, salts and other chemical products supplied by Malay Sino Chemical Industries Sdn Bhd internally, except for one inorganic chemical which we are able to source from alternative suppliers if required.

Further, we are not dependent on any of our other major suppliers as we have a wide base of inorganic chemicals suppliers. Our suppliers comprise chemical manufacturers and distributors which are local companies or international companies from countries such as Australia, Japan, the United States, and Thailand. In the Periods Under Review, we sourced our chemical supplies from over 200 suppliers. Our suppliers are selected based on their geographical locations for origin sourcing, product quality, production capacity, lead time, pricing, and timely delivery.

The long-standing business relationships that we have established with our suppliers also provide our Group with a consistent supply of quality products and services at competitive prices. Further, in the Periods Under Review and up to the LPD, we have not faced any material supply disruptions or delays from our suppliers.

7. BUSINESS OVERVIEW (Cont'd)

7.10 SALES AND MARKETING ACTIVITIES

We actively engage in the following sales and marketing strategies:

(i) Direct approach and industry networking

We secure new customers through direct approach with potential customers by introducing our total chemical management services and chemical terminal services, as well as our range of product. Further, we follow up closely with our existing customers to identify opportunities to secure more sales. Our sales and marketing team also actively engages in industry networking activities to identify potential customers to increase our sales.

In addition, our sales and marketing team continuously keep abreast with industry updates to ensure that our product and service offerings are competitive to give us the competitive edge to compete and market our products and services to existing and potential customers.

(ii) Fostering customer loyalty

We are constantly involved in building business relationships with existing customers as our Group believes that such networking is crucial in maintaining our reputation and customer-base that we have built over the years. Further, as part of our Group's effort to secure repeat orders from our existing customers, we continuously foster good relationships with them by working closely with them to resolve product issues, ensure timely delivery of orders and fulfil customised requests, in addition to the provision of total chemical management services. Our sales and marketing efforts to keep abreast with industry updates also enable us to support local businesses in their expansions locally or overseas, as well as support international investors who wish to expand their businesses locally, thus enhancing our customers' confidence toward our Group's capability and fostering customer loyalty.

(iii) Participation in exhibitions, events and forums

Our Group participates in various exhibitions, events and forums to enhance our presence amongst industry stakeholders such as industrial users, suppliers and regulators.

The exhibitions, events and forums participated in by our Group in the Periods Under Review and up to the LPD are as follows:

<u>Date</u>	<u>Event Name</u>	<u>Location</u>	<u>Organiser</u>
October 2022	Air Pollution Control Seminar	Holiday Villa, Johor Bahru	Environmental Department of Johor
October 2022	Water Pollution Control Seminar	Holiday Villa, Johor Bahru	Environmental Department of Johor
October 2022	Scheduled Waste Management Seminar	Holiday Villa, Johor Bahru	Environmental Department of Johor
January 2023	Argus Chlor-Alkali Forum 2023	Double Tree by Hilton, London	Argus Media

7. BUSINESS OVERVIEW (Cont'd)

Date	Event Name	Location	Organiser
June 2023	26 th Tecnon Orbichem & ICIS World Chlor-Alkali Conference 2023	Intercontinental Hotel, Singapore	Tecnon Orbichem, Independent Commodity Intelligence Services (ICIS)
June 2023	World Chlorine Council Global Safety Team: In-Person Safety Seminar	Renaissance Bahru Hotel, Johor Bahru	World Chlorine Council (WCC)
August 2023	Chemical Industry Dinner and Launch of Chemical Industry Roadmap 2030	MITI Tower, Kuala Lumpur	Chemical Industries Council of Malaysia
September 2023	Launch of the New Industrial Master Plan (NIMP) 2030	MITI Tower, Kuala Lumpur	Ministry of Investment, Trade and Industry (MITI)
January 2024	MITI Dialogue 2024	MITI Tower, Kuala Lumpur	Ministry of Investment, Trade and Industry (MITI)
April 2024	Chemical Information Management System (CIMS) and System Classification Tool for Chemical Mixture (CATCH) 2024	Universiti Kebangsaan Malaysia, Selangor	Department of Occupational Safety and Health
April 2024	ASIAWATER 2024	Kuala Lumpur Convention Centre, Kuala Lumpur	Informa Markets Malaysia Sdn Bhd
July 2024	ESG Symposium – Sustainability Roundtable	Sofitel Kuala Lumpur Damansara, Kuala Lumpur	Hong Leong Bank Berhad
August 2024	Malaysia Best Managed Companies 2024 Awards Ceremony	Le Meridien Kuala Lumpur, Kuala Lumpur	Deloitte PLT
September 2024	RGA Annual Conference – Responsible Glove 2024	Kuala Lumpur Convention Centre, Kuala Lumpur	Responsible Glove Alliance
September 2024	Petrochemicals Sustainability Conference (PSC) 2024	Kuala Lumpur Convention Centre, Kuala Lumpur	Malaysian Petrochemicals Association

7. BUSINESS OVERVIEW (Cont'd)

7.11 RESEARCH AND DEVELOPMENT

Due to the nature of our business, our Group does not carry out research and development activities. Nevertheless, we work closely with our customers to continuously enhance and improve our product offerings by producing custom blends with a form, flow, colour, concentration and purity that are specifically designed to serve the needs of our customer's industrial activities.

7.12 COMPETITIVE STRENGTHS

7.12.1 We have a well-established history of 35 years and a proven track record in the inorganic chemicals industry

We have a well-established history and track record of 35 years in the inorganic chemicals industry since the commencement of our business operations in 1989. Our proven track record in the inorganic chemicals industry is evidenced by the expansion of our business operations and geographical presence over the years. We have been involved in the provision of total chemical management for inorganic chemicals since 1989, and in the provision of chemical terminal services since 2010. In addition, our latest business expansion includes the commencement of inorganic chemicals manufacturing activities at our Banting Plant 1 in May 2024.

The experience that we have gained over the years, where we have been operating for 35 years, 22 years and 16 years in Malaysia, Singapore and Vietnam respectively, has allowed us to gain in-depth industry knowledge of the respective countries of operations. Over the years, we have accumulated and gained understanding of the functions of our inorganic chemicals in customers' manufacturing and industrial processes as well as from feedback of our customers on our products and services, and keeping abreast of industry practices in the respective countries of operations. This has allowed us to develop in-depth industry knowledge that aids in understanding our customers' requirements across various industries and countries, implement procedures that are suitable for the operational processes of the respective countries of operations, as well as build a network of suppliers to ensure undisrupted supply of inorganic chemicals to our customers.

Further, according to the IMR Report, among the list of key players in the inorganic chemicals industry identified, our Group is the leading industry player in the inorganic chemicals industry in Malaysia, based on the revenues in the respective latest available financial year of each key industry player whereby we captured a market share of 24.9% in the inorganic chemicals market in Malaysia in 2023.

The benefits and advantages that our Group derives from our position as the leading industry player, proven track record and international geographical presence includes the following:

- We are able to source supplies from both local and international inorganic chemical manufacturers and distributors, ensuring that we are able to provide our customers with a broad range of inorganic chemicals as well as assure them of a consistent supply of these chemicals; and
- We are able to support and serve the needs of both our local and international customers with short lead time which is supported by our 15 facilities and 2 terminals across Malaysia, Singapore and Vietnam, as well as our ability to provide a wide range of products and services.

7.12.2 We supply an extensive range of chemicals and have a broad customer base comprising a diverse spectrum of industries

We carry an extensive range of chemicals consisting of an SKU of 4,427 chemicals, comprising different types of chemicals and where each chemical type may have different derivatives, grades, concentrations, form and distribution size, as at the LPD. See Section 7.2.2 of this Prospectus for further details on our product offerings.

7. BUSINESS OVERVIEW (Cont'd)

Our extensive product offering ensures that we are able to cater to the demands and requirements of our existing and potential customers. We are able to offer our customers the chemicals they require, as well as promote cross-selling by offering them additional chemicals which complement their initial purchases. As such, we are able to serve as a single source from which our customers can conveniently purchase all, or most, of their inorganic chemical supplies, thereby encouraging customer preference for our Group and fostering repeat business.

As our inorganic chemicals have wide range of industrial applications, our customer base comprises a diverse spectrum of industrial users in various economic sectors. For the Periods Under Review, we have supplied inorganic chemicals to the agrichemical and livestock farming; adhesives and sealants; automobiles and automobile parts; chemicals and specialty chemicals; construction and building materials; cosmetics and personal care products; cleaning agents and detergents; edible oils and fats; electrical and electronic products; textiles; food and beverages; glass; healthcare and pharmaceutical products; metal and metal goods; oil and gas; plastics and plastic products; pulp and paper; renewable energy products; rubber products; and utilities industries.

In view of our broad customer base, our Group is able to continuously capture growth opportunities as they arise in these diverse industries and sectors. Further, we are able to reduce our risk of being detrimentally affected by unexpected downturns in any particular industry as the growth of our Group is not reliant upon the success of any single industry. See Section 7.2.5 of this Prospectus for further details on our customers.

7.12.3 We provide end-to-end solutions to customers which encompasses the provision of total chemical management and chemical terminal services

Our total chemical management comprises the activities of sourcing, processing and distributing inorganic chemicals of different types, derivatives, grades, concentration, form and distribution size to meet the various needs of our wide customer base. Further, our total chemical management also includes the provision of value-added services such as handling and storage services, quality control inspection, and pre-sales and after-sales support services. Our chemical terminal services comprise the provision of bulk storage services for liquid chemicals to our customers. The provision of total chemical management and chemical terminal services which encompass a wide array of product and service offerings is a testament to our capability in providing end-to-end solutions to our customers, from a diverse range of industries.

Our end-to-end solutions enable us to support our customers throughout every step of the process of obtaining supplies of inorganic chemicals, and the flexible nature of our service offerings allows our customers to tailor the supply process to meet their individual needs because we provide our customers the flexibility to choose from a wide range of products and specifications, concentrations, quantities, packaging types, value-added services and delivery requirements. Thus, we provide our customers with the convenience of wholly sourcing their supplies from us, and allow our customers to focus on expanding their business. Our capabilities in providing end-to-end solutions have made our Group a crucial part of the inorganic chemicals industry value chain, enabling us to bridge the gap through providing the services required to bring the inorganic chemicals of domestic manufacturers and overseas exporters into the end user market.

7.12.4 We have regional market footprint and proven capabilities in exporting our products to international customers

Our Group has established in-roads into numerous overseas markets over the years by expanding our geographical presence in Southeast Asia, as well as by exporting our inorganic chemicals to an international customer base.

As at the LPD, we provide total chemical management through our in-house operated facilities and third-party facilities, as well as chemical terminal services through our in-house operated terminals located across 3 countries in the Southeast Asia region. We have 9 facilities, 2 terminals and 1 manufacturing plant in Malaysia; 3 facilities in Singapore; and 3 facilities in Vietnam.

7. BUSINESS OVERVIEW (Cont'd)

For the Periods Under Review, we derived revenue from 26 countries primarily in the Asia-Pacific region for our export sales, which contributed to 2.6%, 2.4%, 3.7%, and 4.1% of our Group's total revenue respectively. See Section 7.3 of this Prospectus for further details on our principal markets.

Our geographical presence in Southeast Asia and our exports reflect our regional and global footprint in the inorganic chemicals industry, and are a testament to our industry reputation and track record. Further, our success in the international market serves as a reference for our Group as we continue to secure new customers. These international markets serve as a vast market for our Group to tap into for future growth opportunities.

Our success in securing sales from international customers is supported by our sales and marketing team, our well-established history, as well as the wide range and quality of our product and service offerings which provide confidence to international customers. Our Group believes that by continuously strengthening our sales and marketing team as well as consistently adhering to high quality standards, we will be able to continuously penetrate into more overseas markets and enhance our international presence.

7.12.5 We have an experienced and long serving management team with substantial industry experience

Our management team has vast experience in the inorganic chemicals industry as well as in-depth knowledge in our business across a broad spectrum of business activities, including operations, sales and marketing, finance and strategic planning.

Our Non-Independent Executive Director and Deputy Chairman, Leong Chao Seong, has over 33 years of experience in the chemicals industry, and our Non-Independent Executive Director and Managing Director, Wong Kin Wah, has over 30 years of experience in the inorganic chemicals industry. Their technical and industry knowledge is instrumental in determining the overall strategic direction and business development of our Group. They are supported by our other Key Senior Management who have years of working experience ranging from over 25 years to over 32 years in their respective fields of expertise.

Our Executive Directors and Key Senior Management team has strong industry and functional expertise as a result of years of experience in their respective fields, demonstrating their in-depth understanding and knowledge to our Group's business operations. They played a vital role in spearheading their respective departments and promoting our growth and business expansion. As a result, there is a transfer of skills and knowledge to employees at all levels in our organisational structure. Their hands-on involvement in our Group demonstrates their strong commitment to our growth as we continue to expand. See Sections 9.2.1 and 9.3.2 for the profiles of our Executive Directors and Key Senior Management team respectively.

7.13 BUSINESS STRATEGIES AND FUTURE PLANS

7.13.1 Expansion of our inorganic chemical manufacturing business through the construction of a new chlor-alkali manufacturing plant

Our Banting Plant 1 had commenced operations in May 2024 whereby we began manufacturing chlor-alkali derivatives, namely sodium hydroxide, chlorine, hydrochloric acid, sodium hypochlorite and hydrogen.

7. BUSINESS OVERVIEW (Cont'd)

In line with our on-going business expansion and our growth strategy to continue enhancing our upstream manufacturing capacity for chlor-alkali derivatives, we intend to construct our Banting Plant 2 at the site of our Banting Plant 1, in which our Banting Plant 2 will occupy a land area of approximately 45,700 m² to 55,900 m² out of the total land area of 178,800 m². Similarly, we will be manufacturing chlor-alkali derivatives, namely sodium hydroxide, chlorine, hydrochloric acid, sodium hypochlorite and hydrogen at our Banting Plant 2. The construction of our Banting Plant 2 is in anticipation of future growth in demand for chlor-alkali derivatives supported by future growth in demand by both existing and new businesses across all the industries that we service. Additionally, the construction of our Banting Plant 2 will also result in better overall cost efficiency.

According to the IMR Report, the inorganic chemicals industry in Malaysia is expected to be driven by economic growth and growth in the manufacturing sector. A wide range of industries rely on inorganic chemicals, including chlor-alkali derivatives, to manufacture goods or to carry out industrial applications that are necessary to support, improve and enhance modern daily life. Hence, the demand for these goods and industrial applications is expected to drive the demand for inorganic chemicals. From 2019 to 2023, the consumption of inorganic chemicals increased at a compound annual growth rate of 5.51% from RM2.30 billion to RM2.85 billion. As inorganic chemicals are primarily used as raw materials in the manufacturing sector, the growth in the manufacturing sector drives the demand for inorganic chemicals. Malaysia's manufacturing sector GDP grew from RM307.61 billion in 2020 to RM366.69 billion in 2023 at a CAGR of 6.03%. In addition, total approved investments for the manufacturing sector, which comprises domestic and foreign investments, increased from RM82.73 billion in 2019 to RM151.97 billion in 2023 at a CAGR of 16.42%. Total approved investments in the manufacturing sector in Malaysia is primarily contributed by foreign investments, which made up 84.52% of total approved investments in 2023. Overall, from 2019 to 2023, foreign investments in the manufacturing sector in Malaysia increased from RM54.44 billion to RM128.44 billion at a CAGR of 23.94%.

According to the IMR Report, our Group is the leading industry player in the inorganic chemicals industry in Malaysia, based on the revenues in the respective latest available financial year of each key industry player, whereby we captured a market share of 24.9% in the inorganic chemicals market in Malaysia in 2023. Hence, the construction of our Banting Plant 2 to increase our manufacturing capacity will aid our Group in seizing growth opportunities arising from the demand for chlor-alkali derivatives, thus further expanding our market share and continue strengthening our position as the leading industry player in Malaysia. Driven by our well-established history of 35 years and a proven track record in the inorganic chemicals industry, our Group is confident that there will be sufficient demand for our chlor-alkali derivatives to account for the increased manufacturing capacity from our Banting Plant 2.

Indicative timeline

The indicative timeline for the construction of our Banting Plant 2 is set out below:

Timeline	Description
Q4 2024	<ul style="list-style-type: none"> Procurement of machinery and equipment to cater for the lead time required for the procurement of machinery and equipment of minimum of 12 months
Q1 2025	<ul style="list-style-type: none"> Mobilisation and commencement of construction works, subsequent to obtaining the relevant approvals
Q2 2026	<ul style="list-style-type: none"> Completion of construction works Installation of machinery and equipment
Q4 2026	<ul style="list-style-type: none"> Commissioning of plant and obtainment of certification of completion Commencement of operations

7. BUSINESS OVERVIEW (Cont'd)

Manufacturing capacity

Our Banting Plant 2 will have the same manufacturing capacity as our Banting Plant 1 of 37,000 ECU, which is equivalent to 216,000 MT of sodium hydroxide at a concentration of 32%. See Section 7.7 of this Prospectus for further details on the manufacturing capacity of our Banting Plant 1.

Upon commissioning of our Banting Plant 2 in 2026, our total annual manufacturing capacity for sodium hydroxide at a concentration of 32% is expected to reach 432,000 MT. The manufacturing capacity is estimated by design of the equipment, where an acceptance test will be conducted upon completion as proof of performance. As such, we believe the expected capacity will be achievable. Further, with our Banting Plant 2, we intend to explore the possibility of increasing the range of chlor-alkali derivatives manufactured to include hydrogen peroxide, poly aluminium chloride and other inorganic chemicals.

Costs and source of funding

The construction cost of our Banting Plant 2 is estimated at RM97.5 million. We intend to allocate RM90.2 million from the proceeds from our Public Issue to partly fund the construction of our Banting Plant 2, with the remaining cost to be funded via internally generated fund and/or bank borrowings. See Section 4.5.1 of this Prospectus for further details on the breakdown of construction cost and utilisation of our proceeds.

7.13.2 Expansion of our total chemical management business through the construction of a new facility in Singapore and Malaysia respectively

We intend to continue expanding our total chemical management business in Singapore and Malaysia through the construction of an additional facility in each country respectively, to expand our activities in the downstream segments (i.e. the processing and distribution segments) of the inorganic chemicals industry, thereby strengthening our Group's presence across the inorganic chemicals industry value chain in these countries. According to the IMR report, the consumption of inorganic chemicals in Singapore and Malaysia in 2023 exceeded pre-pandemic levels at SGD333.34 million (equivalent to RM1.13 billion) and RM2.85 billion respectively, indicating the necessity of inorganic chemicals in supporting manufacturing and industrial activities in Singapore and Malaysia. This further attests to our Group's plan for expansion of our facilities in these 2 countries.

The details of our plans to expand our total chemical management business are as follows:

(a) Construction of a new facility in Singapore, to be used as a processing facility

We intend to expand our Group's operations in Singapore through the construction of a new facility in Singapore, to be used as our processing facility ("**Singapore Facility 4**"). In line with this, we intend to acquire a piece of land in Singapore for the construction of the said facility. Through the construction of an additional processing facility in Singapore, our Group will be able to expand our chemical processing activities as well as our distribution network in Singapore, to cater to increased sales as we secure more customers in the future within the region. Our Singapore Facility 4 will have similar functions as our existing facilities in Tuas Avenue, where operational activities such as warehousing, processing, handling and storage of liquid bulk, liquid and dry packaging inorganic chemicals will be carried out.

As at the LPD, we have not entered into any negotiations for the purchase of land as we are in the midst of identifying suitable sites for our Singapore Facility 4, taking into consideration factors such as location, land cost and readiness of the civil infrastructure such as road access, water works, existing buildings or towers, foundation and piling works.

Indicative timeline

The indicative timeline for the acquisition of land and construction of our Singapore Facility 4 is set out below:

7. BUSINESS OVERVIEW (Cont'd)

Timeline	Description
Q3 2025	<ul style="list-style-type: none"> Completion of acquisition of land in Singapore
Q4 2025	<ul style="list-style-type: none"> Development order to be obtained alongside approvals such as building plan approval
Q1 2026	<ul style="list-style-type: none"> Mobilisation and commencement of construction works, subsequent to obtaining the relevant approvals
Q2 2026	<ul style="list-style-type: none"> Purchase of machinery and equipment
Q4 2026	<ul style="list-style-type: none"> Completion of construction works Installation of machinery and equipment
Q1 2027	<ul style="list-style-type: none"> Commissioning and obtainment of certification of completion Commencement of operations

Costs and source of funding

The estimated construction cost of our Singapore Facility 4 comprises approximately RM45.0 million for the land purchase and approximately RM11.0 million for the construction of a processing facility. We intend to allocate RM49.5 million from the proceeds of our Public Issue to fund the construction of the processing facility, with the remaining cost to be funded via internally generated fund and/or bank borrowings. See Section 4.5.2 of this Prospectus for further details on the utilisation of our proceeds.

In line with the construction of our Singapore Facility 4, we will purchase new machinery and equipment required for our chemical processing activities. The cost of purchasing the machinery and equipment is estimated at RM4.3 million, which will be fully funded via internally generated funds and bank borrowings.

(b) Construction of a new facility in Malaysia, to be used as a dry bulk facility, processing facility and product improvement facility

In April 2024, our Group commenced the construction of our New Port Klang Facility on our land in Port Klang, to be used as our dry bulk facility, processing facility and product improvement facility. The New Port Klang Facility will be constructed on the land acquired by our Group in 2022, and will occupy a land area of approximately 12,510 m² to 15,290 m² out of the total land area of 31,508 m². Through the construction the New Port Klang Facility, our Group will be able to expand our chemical processing activities as well as our distribution network in Malaysia, to cater to increased sales as we secure more customers in the future. Further, the product improvement facility at the New Port Klang Facility will allow us to enhance our product improvement and product customisation activities.

Indicative timeline

The indicative timeline for the construction of our New Port Klang Facility is set out below:

Timeline	Description
Q2 2024	<ul style="list-style-type: none"> Mobilisation and commencement of construction works, subsequent to obtaining the relevant approvals
Q3 2024	<ul style="list-style-type: none"> Purchase of machinery and equipment
Q4 2024	<ul style="list-style-type: none"> Completion of construction works
Q1 2025	<ul style="list-style-type: none"> Installation of machinery and equipment Commissioning and obtainment of certification of completion

7. BUSINESS OVERVIEW (Cont'd)

<u>Timeline</u>	<u>Description</u>
	<ul style="list-style-type: none"> Commencement of operations

Costs and source of funding

The cost of the construction of our New Port Klang Facility is estimated at RM36.0 million. In line with the construction of the New Port Klang Facility, we will purchase new machinery and equipment for our chemical processing and product improvement activities. The cost of purchasing the machinery and equipment is estimated at RM1.0 million. We intend to fund the cost of construction and the purchase of machinery and equipment via bank borrowings of RM23.0 million, with the remaining RM14.0 million funded via internally generated funds.

Upon the commencement of operations of our Singapore Facility 4 and New Port Klang Facility, we will continue leveraging on our network of suppliers for our packaging materials and logistics to support our operations, as well as our broad customer base comprising a diverse spectrum of industries to increase our sales by meeting the growth in demand for inorganic chemicals driven by economic growth and growth in the manufacturing sector. The continued expansion of our total chemical management business, coupled with the expansion of our upstream manufacturing of chlor-alkali derivatives as detailed in Section 7.13.1, is expected to aid our Group in enhancing our market presence across the inorganic chemicals industry in Singapore and Malaysia.

7.13.3 Pursuit of acquisitions and investments in other companies

We intend to pursue acquisitions and investments in other companies as part of our growth strategy for our business. We are selective about our acquisitions and investments and typically seek target companies which operate in the inorganic chemicals industry or other chemical-related industries such as specialty chemicals, as well as offer products which complement our Group's activities and may result in revenue and cost synergies. Acquiring and investing in such target companies will enable us to achieve economies of scale, optimise our cost structure, expand our customer and supplier networks, diversify our product offerings, and strengthen our regional presence as well as enter into new business segments (i.e. acquire or invest in manufacturing companies in Vietnam to achieve vertical integration of our operations in Vietnam using the existing manufacturing facilities of the target companies, which will help streamline processes along the production chain, since our Group only provides total chemical management and not manufacturing in Vietnam as at the LPD) and geographical markets.

As at the LPD, we have identified a target business but the acquisition plan is still in a preliminary phase and no amount has been incurred towards the acquisition of any target company. We intend to explore acquisition and investment opportunities within the Asia Pacific region and identify target companies which meet our criteria within 36 months from our Listing. We intend to allocate approximately RM99.1 million of the proceeds from our Public Issue to finance the acquisitions and investments in the target companies we identify. See Section 4.5.3 of this Prospectus for further details on the utilisation of our IPO proceeds.

7.13.4 Continued development and growth of our product and service offerings

We intend to continue leveraging on our manufacturing and product improvement capabilities as well as facilities to expand our product and service offerings through the introduction of new inorganic chemical products and enhancement of our end-to-end and value-added services.

7. BUSINESS OVERVIEW (Cont'd)

According to the IMR report, the consumption of inorganic chemicals in Malaysia was recorded at RM2.85 billion in 2023, exceeding pre-pandemic consumption of RM2.30 billion in 2019, indicating the necessity of inorganic chemicals in supporting manufacturing and industrial activities. By leveraging on our manufacturing expansion through our Banting Plant 2, we intend to expand our range of chlor-alkali product offerings to include the manufacturing of hydrogen peroxide, poly aluminium chloride and other inorganic chemicals to meet the growing demand for inorganic chemicals, which is driven by its wide range of usage in various manufacturing and industrial applications as well as economic growth and growth in the manufacturing sector. In addition, we will be able to leverage on our increased chemical processing capacity as well as product improvement capabilities through our New Port Klang Facility to increase the range of our products offering as well as our value-added services, including the fulfilment of a wider variety of customisation requests.

Further, we will continue identifying opportunities to grow our chemical terminal service offerings as our Pasir Gudang Terminal recorded occupancy rates of 95.8%, 75.0%, 73.7% and 76.9% in the Periods Under Review. As at the LPD, our Group has a piece of land in Tanjung Langsat, Johor and a liquid bulk terminal in Kemaman, Terengganu (i.e. Kemaman Bulk Terminal) which can be readily utilised to facilitate the expansion of our chemical terminal services in these regions when opportunities arise in the future.

We will also continue to explore opportunities to secure new suppliers to expand our range of product offerings and at the same time leveraging on our broad customer base, end-to-end business model, geographical presence and facilities to continue growing our business. We intend to fund the continued development and growth of our product and service offerings via internally generated funds and/or bank borrowings.

7.13.5 Expansion of our regional presence in Vietnam and Indonesia

We intend to further expand our regional presence in Vietnam by increasing our number of facilities in the country. We are exploring to set up new facilities and/or to engage more third-party companies to provide warehousing services. As at the LPD, we are in the midst of identifying suitable locations for our new facilities in Vietnam, as well as identifying suitable third-party companies to provide warehousing services. However, we have yet to enter into negotiations with any parties in regards to our expansion plan in Vietnam. Further, our Group is exploring opportunities locally in Vietnam as well as sales opportunities with our existing customers in Malaysia and Singapore who intend to expand into Vietnam.

Furthermore, in line with expanding our regional market footprint in Southeast Asia, we also intend to expand our regional presence into Indonesia, emulating the success which our Group has achieved in Malaysia, Singapore and Vietnam. Our Group views Indonesia as an attractive market in terms of size and potential for growth. We are exploring to expand our regional presence into Indonesia via mergers and acquisitions with companies involved in the chemicals distribution business or by setting up facilities in the country. As at the LPD, we have yet to commence our feasibility studies, as well as the process of identifying target companies in Indonesia or identifying suitable locations to set up our facilities in Indonesia.

We intend to allocate RM99.1 million from the proceeds of our Public Issue for the investment and acquisition of target companies to be identified, with the remaining cost to be funded via internally generated fund and/or bank borrowings. See Section 4.5.3 of this Prospectus for further details on the utilisation of proceeds.

7.14 SEASONALITY

We do not experience any material seasonality or cyclicity in our business as the demand for our products and services are neither subject to seasonal fluctuations nor cyclical variations.

7. BUSINESS OVERVIEW (Cont'd)

7.15 INTERRUPTIONS TO OUR BUSINESS AND OPERATIONS

Save for minor disruptions to our operations arising from the COVID-19 pandemic, our Group had not experienced any other interruptions in our operations in the last 12 months from the LPD which had a significant effect on our operations.

Pursuant to the outbreak of the COVID-19 pandemic in 2020, the Government of Malaysia had implemented different forms of MCO since 18 March 2020 to contain the spread of the virus. During this period, our Group was required to comply with the changes in SOP outlined by MITI throughout the period.

Being involved in the supply of inorganic chemicals, our Group is considered an essential service provider. As such, our Group was authorised to operate while complying with the SOP (e.g. reduced workforce capacity) outlined by MITI throughout the pandemic. The reduction of workforce capacity, as per MITI's SOP during the period of the COVID-19 pandemic, did not result in material adverse impact to our business and operations. Further, there was no material adverse impact on our sales and delivery schedule, receipt of supplies and collectability of our trade receivables during the COVID-19 pandemic.

Since the enforcement of the "Transition to Endemic" phase beginning 1 April 2022, our business operations have since resumed to usual and we did not experience any material adverse impact to our business operations, cash flows, liquidity, financial position and financial performance for the FYEs 2022 and 2023.

7.16 EMPLOYEES

As at FPE 30 June 2024, we employed a total of 477 employees, out of which permanent employees accounted for 96.0% of our total workforce while the remaining 4.0% were contractual employees. The breakdown of our employees by division was as follows:

Designation / Department	As at FPE 30 June 2024		
	Permanent employee	Contract employee	Total
Executive Directors	2	-	2
Key Senior Management	3	-	3
Corporate Services	8	2	10
Admin, Human Resource, Finance and IT	74	2	76
Technical and Supervisory	49	4	53
Facility Operations	270	8	278
Sales and Marketing	52	3	55
Total	458	19	477

As at the LPD, we employ a total of 474 employees, out of which permanent employees accounted for 97.7% of our total workforce while the remaining 2.3% were contractual employees. The breakdown of our employees by division is as follows:

Designation / Department	As at LPD		
	Permanent employee	Contract employee	Total
Executive Directors	2	-	2
Key Senior Management	3	-	3
Corporate Services	9	-	9
Admin, Human Resource, Finance and IT	73	1	74

7. BUSINESS OVERVIEW (Cont'd)

Designation / Department	As at LPD		Total
	Permanent employee	Contract employee	
Technical and Supervisory	70	3	73
Facility Operations	259	3	262
Sales and Marketing	47	4	51
Total	463	11	474

As at FPE 30 June 2024, local employees of each respective country accounted for 91.8% of our total workforce while the remaining 8.2% were foreign employees. The breakdown of our employees by country was as follows:

Country	As at FPE 30 June 2024				Total
	Permanent employee		Contract employee		
	Local	Foreign	Local	Foreign	
Malaysia	387	-	12	1	400
Singapore	31	36	-	-	67
Vietnam	4	-	4	2	10
Total	422	36	16	3	477

As at the LPD, local employees of each respective country accounted for 91.8% of our total workforce while the remaining 8.2% are foreign employees. The breakdown of our employees by country is as follows:

Country	As at LPD				Total
	Permanent employee		Contract employee		
	Local	Foreign	Local	Foreign	
Malaysia	389	-	6	1	396
Singapore	31	38	-	-	69
Vietnam	6	-	3	-	9
Total	426	38	9	1	474

All of our foreign employees possess valid working permits and/or documentations. Our foreign employees are primarily involved in our Group's facility operations. As at the LPD, none of our employees in Malaysia and Singapore belong to any trade union, while 9 of our employees in Vietnam belong to a trade union, namely *Cong doan Cong ty TNHH Hoa Chat TMK - Dai Hung*.

During the Periods Under Review and up to the LPD, there was no major industrial dispute involving our employees. During the same period, we did not face any labour shortage that led to any disruption to our business operations.

7.17 INSURANCE

We maintain insurance policies to cover a variety of risks relevant to our business needs and operations. We maintain property insurance with respect to our property, assets, fixtures and fittings and inventory in our offices, storage tanks and warehouses. We also carry public liability insurance as well as group hospital and surgical, group personal accident, fire, marine cargo, goods-in-transit, money, burglary and vehicle insurance related to our operations.

The insurance policies that we currently hold are customary in the industry in which we operate, and we will review our insurance coverage annually.


7. BUSINESS OVERVIEW *(Cont'd)*

7.18 MATERIAL DEPENDENCY ON COMMERCIAL CONTRACTS, AGREEMENTS AND OTHER ARRANGEMENTS


As at the LPD, there are no commercial contracts, agreements, other arrangements or other matters entered into by or issued to us which we are materially dependent on, and which are material to our business and profitability.

7. BUSINESS OVERVIEW (Cont'd)**7.19 PATENTS, TRADEMARKS AND OTHER INTELLECTUAL PROPERTY RIGHTS**

Save as disclosed below, as at the LPD, we do not have any other material patents, trademarks, brand names, technical assistance agreements, franchises and other intellectual property rights on which we are materially dependent:

No.	Trademark	Registered owner / Applicant	Registration / Application no.	Place of registration	Expiry / Application date	Class/ Description of trademark
1.		TMK (Registered owner)	TM202302895 0	Malaysia	25 September 2033	1: Industrial inorganic chemicals; industrial organic chemicals; caustic soda; liquid chlorine; ferric chloride; hydrochloric acid; methyl chloride; aluminium sulphate; sodium silicate; sulphur; sulphuric acid; calcium chloride; calcium hydroxide; calcium nitrate; hydrofluoric acid; citric acid; hydrated lime; hydrogen peroxide for industrial purposes; polyaluminium chloride; nitric acid; phosphoric acid; potassium hydroxide; salts for industrial purposes; soda ash; sodium hypochlorite; sodium sulphate; sodium thiosulfate; acetone for industrial use; ammonium hydroxide; industrial chemicals; chemicals for use in the automotive industry; chemicals for industrial purposes; chemicals for use in agriculture; chemical preservatives for animal feed; chemical products for use in construction; chemicals for use in pesticides; chemical products for use in the manufacture of detergents; chemicals for use in the electronics industry; chemical ingredients for use in the manufacture of foods; chemical materials for use in the manufacture of glass; chemicals for use in the petrochemical industry; chemicals for use in the paper industry; chemicals for use in the rubber industry; chemicals for use in the manufacture of adhesives; chemicals for use in the manufacture of fabric or textiles; chemicals for use in the treatment of waste water; chemicals for use in the treatment of water.
		TMK (Applicant)	4-2023-52452	Vietnam	16 November 2023 ⁽¹⁾	

7. BUSINESS OVERVIEW (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration / Application no.	Place of registration	Expiry / Application date	Class/ Description of trademark
						39: Consultancy relating to the transport, packaging and storage of goods; transport and storage of chemicals; provision of frozen storage facilities; provision of refrigerated storage facilities; arrangement for the transportation of goods; transportation and delivery of goods; transportation and delivery services by air, road, rail and sea; bulk storage; freight forwarding; warehouse storage services.
		TMK (Registered owner)	40202321376 T	Singapore	25 September 2023	39: Consultancy relating to the transport, packaging and storage of goods; transport and storage of chemicals; provision of frozen storage facilities; provision of refrigerated storage facilities; arrangement for the transportation of goods; transportation and delivery of goods; transportation and delivery services by air, road, rail and sea; bulk storage; freight forwarding; warehouse storage services.
2.		TMK (Registered owner)	40202401043 P	Singapore	16 January 2024	1: Industrial inorganic chemicals; industrial organic chemicals; caustic soda; liquid chlorine; ferric chloride; hydrochloric acid; methyl chloride; aluminium sulphate; sodium silicate; sulphur; sulphuric acid; calcium chloride; calcium hydroxide; calcium nitrate; hydrofluoric acid; citric acid; hydrated lime; hydrogen peroxide for industrial purposes; polyaluminium chloride; nitric acid; phosphoric acid; potassium hydroxide; salts for industrial purposes; soda ash; sodium hypochlorite; sodium sulphate; sodium thiosulfate; acetone for industrial use; ammonium hydroxide; industrial chemicals; chemicals for use in the automotive

7. BUSINESS OVERVIEW (Cont'd)

<u>No.</u>	<u>Trademark</u>	<u>Registered owner / Applicant</u>	<u>Registration / Application no.</u>	<u>Place of registration</u>	<u>Expiry / Application date</u>	<u>Class/ Description of trademark</u>
						industry; chemicals for industrial purposes; chemicals for use in agriculture; chemical preservatives for animal feed; chemical products for use in construction; chemicals for use in pesticides; chemical products for use in the manufacture of detergents; chemicals for use in the electronics industry; chemical ingredients for use in the manufacture of foods; chemical materials for use in the manufacture of glass; chemicals for use in the petrochemical industry; chemicals for use in the paper industry; chemicals for use in the rubber industry; chemicals for use in the manufacture of adhesives; chemicals for use in the manufacture of fabric or textiles; chemicals for use in the treatment of waste water; chemicals for use in the treatment of water.
						39: Consultancy relating to the transport, packaging and storage of goods; transport and storage of chemicals; provision of frozen storage facilities; provision of refrigerated storage facilities; arrangement for the transportation of goods; transportation and delivery of goods; transportation and delivery services by air, road, rail and sea; bulk storage; freight forwarding; warehouse storage services.

Note:

(1) This application is currently in the stage of "Pending (Under Examination)" and the certificate of registration is expected to be obtained by the first quarter of 2026.

We changed our name in September 2023 and have taken the prudent step of proceeding with the above applications for our trademark registration to protect our brand. We have also notified our business partners including our customers and suppliers of the rebranding exercise. This has not affected our ongoing business relationship with our customers and there are no anticipated risks to our Group's business operations or financial position arising from the above trademark application which is pending registration.

7. BUSINESS OVERVIEW (Cont'd)

7.20 GOVERNING LAWS AND REGULATIONS RELATING TO OUR INDUSTRY

Our Group's business is regulated by, and in some instances required to be licensed under specific laws of Malaysia, Singapore and Vietnam. The relevant laws and regulations governing our Group and which are material to our operations are summarised below. The following does not purport to be an exhaustive description of all relevant laws and regulations of which our business is subject to.

7.20.1 Governing laws and regulations relating to Malaysia

(i) Poisons Act 1952 ("PA") and Poisons (Sodium Hydroxide) Regulations 1962 ("Poisons Regulations")

The PA regulates the importation, possession, manufacture, compounding, storage, transport, sale and use of poisons in Malaysia. In the context of our Group's business, the PA is crucial, particularly when our operations involve handling, storing, or transporting potentially hazardous chemicals or substances classified as "poisons" under the PA. The PA provides for the issuance of a Type B licence to any person to import, store and sell by wholesale such poisons (not being a Group A Poison) as may be specified in such licence.

Moreover, the Poisons Regulations also regulate the sale and purchase of sodium hydroxide. Any person who sells sodium hydroxide to a purchaser who does not hold a permit to purchase it or buy sodium hydroxide from a seller who does not hold a licence to sell it commits an offence.

The PA provides that where any person guilty of an offence for which no other penalty is specifically provided by the PA or any regulations made thereunder, is punishable by a fine not exceeding RM50,000 or by imprisonment for a term not exceeding five years or both. If the court is of the opinion that the nature of such act or omission with which such person is charged amounts to wilful default or culpable negligence, which endangered or was likely to endanger human life, such person will be liable, on conviction, to a fine not exceeding RM200,000 or to imprisonment for a term not exceeding 10 years or both.

(ii) Industrial Co-ordination Act 1975 ("ICA")

Pursuant to the ICA and the Industrial Co-ordination (Exemption) Order 1976, a person engaged in a manufacturing activity in Malaysia and with shareholders' funds of RM2.5 million and above or which engages 75 or more full-time paid employees must obtain a manufacturing licence and MITI may subject such licence to conditions on issuance. The ICA defines "manufacturing activity" as the making, altering, blending, ornamenting, finishing or otherwise treating or adapting any article or substance with a view to its use, sale, transport, delivery or disposal and includes the assembly of parts and ship repairing but shall not include any activity normally associated with retail or wholesale trade.

Any person who fails to comply with such a requirement is guilty of an offence and is liable on conviction to a fine not exceeding RM2,000 or to a term of imprisonment not exceeding six months and to a further fine not exceeding RM1,000 for every day during which such default continues.

(iii) Street, Drainage and Building Act 1974 ("SDBA") and Uniform Building By-Laws 1984 ("UBBL")

The SDBA is applicable to Peninsular Malaysia and it, together with the UBBL, provide for the issuance of a certificate of completion and compliance ("CCC") or certificate of fitness for occupation ("CF") for the occupation of any building or any part thereof.

Under the SDBA, any person who occupies a building or any part thereof without a CCC or CF is liable on conviction to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 10 years or to both.

7. BUSINESS OVERVIEW (Cont'd)

(iv) Occupational Safety and Health Act 1994 as amended by Occupational Safety and Health (Amendment) Act 2022 ("OSHA")

Under the OSHA, we have a general duty to ensure, so far as is practicable, the safety, health and welfare at work of all our employees, including among others:

- (a) providing and maintaining our plants and systems of work that are, so far as is practicable, safe and without risks to health;
- (b) making arrangements for ensuring, so far as is practicable, safety and absence of risks to health in connection with the use or operation, handling, storage and transport of plants and substances;
- (c) providing information, instruction, training and supervision as is necessary to ensure, so far as is practicable, the safety and health of our employees at work;
- (d) maintaining any place of work under our control, in a condition that is safe and without risks to health and providing and maintaining the means of access to and egress from it that are safe and without such risks;
- (e) providing and maintaining a working environment for our employees that is, so far as is practicable, safe, without risks to health, and adequate as regards to facilities for their welfare at work;
- (f) developing and implementing procedures for dealing with emergencies that may arise in the course of the employees' work; and
- (g) formulating and implementing safety and health policies which are revised as often as it may be appropriate and duly bringing the same to the notice of all employees.

We also have a duty to ensure:

- (a) in so far as is practicable that when at work, any contractor engaged by us, any subcontractor or indirect subcontractor and their employees, and other persons (not being our employees) who may be affected are not exposed to risks to their safety or health; and
- (b) that a risk assessment in relation to the safety and health risk posed to any person who may be affected by his undertaking at the place of work is conducted and the implementation of such risk control, where required, to eliminate or reduce the said safety and health risk.

Breaches of general duties may result in a fine not exceeding RM500,000 or imprisonment for a term not exceeding two years or both.

An occupier of a workplace that has been gazetted as requiring a safety and health officer must appoint a person who is competent to act as a safety and health officer to ensure the due observance of the provisions of the OSHA and any related regulations, and for promoting safe work conduct at the workplace. A person shall be appointed as a safety and health officer for one workplace at a time, unless otherwise authorised by the Director General of Occupational Safety and Health. Employers who have five or more employees at the other workplaces that has not be so gazetted, are required to appoint an employee to act as an occupational safety and health coordinator to coordinate occupational safety and health issues at the workplace.

Any person who contravenes any of the above will be guilty of an offence and will, on conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding six months or to both.

7. BUSINESS OVERVIEW (Cont'd)

Every employer is required to establish a safety and health committee if there are 40 or more persons employed at the place of work or if directed by the Director General of Occupational Safety and Health, failing which the employer shall be guilty of an offence and will, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding one year or to both. The safety and health committee will, among others, keep under review the measures taken to ensure the safety and health of persons at the workplace.

The OSHA also prescribes standards for the certification and inspection of plants, ensuring their operational safety and compliance, and the Occupational Safety and Health (Plant Requiring Certificate of Fitness) Regulations 2024 and the Occupational Safety and Health (Licensed Person) Order 2024 detail requirements for plant operations and certifications.

Any person who operates or causes or permits any plant requiring a certificate of fitness to be operated must ensure that the plant has a valid certificate of fitness, failing which such person will be guilty of an offence and will, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding one year or both.

(v) Fire Services Act 1988 and Fire Services (Designated Premises) (Amendment) Order 2020 (collectively, the "FSA")

The FSA provides for the effective and efficient functioning of the Fire and Rescue Department of Malaysia, for the protection of persons and property from fire risks or emergencies. The FSA provides, among others, that a fire certificate be issued only after the designated premises have been inspected and Bomba is satisfied that there exists adequate fire-fighting equipment or fire safety installation in relation to the use of the designated premises.

Where there is no fire certificate in force, the owners of such premises may be subject to a fine of up to RM50,000 and/or imprisonment of up to five years (or both). Bomba also has a general authority to order or direct the owner or occupier of any premises to cease any activity thereon if it is satisfied that, among others, such continued activity would constitute an immediate danger of fire prejudicial to the safety of life or property.

(vi) EQA, IE Regulations and Scheduled Wastes Regulations

The EQA restricts pollution of the atmosphere, noise pollution, pollution of the soil, pollution of inland waters without a licence, prohibits the discharge of oil into Malaysian waters without a licence, discharge of wastes into Malaysian waters without a licence and prohibits open burning.

The subsidiary laws made under the EQA such as:

- (a) the Scheduled Wastes Regulations regulates the disposal and storage of scheduled wastes. A person who generates scheduled wastes must ensure that the said scheduled wastes are properly stored, treated on-site, recovered on-site for material or product from such scheduled wastes or delivered to and received at prescribed premises for such purposes; and
- (b) the IE Regulations which establishes standards and requirements for industrial effluent discharge, setting among others, effluent quality standards and personnel training requirements. It requires industries that discharge effluent to notify the DOE of new or changed discharge sources, regularly monitor the quality and quantity of effluent discharged, maintain records and submit monitoring reports to DOE, operate and maintain IETS under competent supervisors, conduct performance monitoring of the IETS in accordance with specified guidelines.

Unless compounded by the Director-General of Environment, in the event of non-compliance, an offender shall be liable on conviction to:

7. BUSINESS OVERVIEW (Cont'd)

- a fine not exceeding RM100,000 or imprisonment for a term not exceeding five years or to both and to a further fine not exceeding RM1,000 a day for every day that the offence continues for contravention of IE Regulations;
- a fine of not less than RM5,000 and not exceeding RM250,000 or imprisonment for a term not exceeding two years or both for the contravention of the EQA or any regulation made thereunder for which no penalty is expressly provided.

7.20.2 Governing laws and regulations relating to Singapore

(i) Environment Protection and Management Act 1999 (“EPMA”) and Environmental Protection and Management (Hazardous Substances) Regulations (“EPMR”)

The EPMA provides for the protection and management of the environment and resources conservation and regulates, amongst others, air pollution, water pollution, land pollution and noise control in Singapore.

Under the EPMA, a person must not import, manufacture, possess for sale or offer for sale any hazardous substance unless the person holds a licence for that purpose.

Any person who contravenes the above shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$50,000 or to imprisonment for a term not exceeding 2 years or to both and in the case of a continuing offence, to a further fine not exceeding S\$2,000 for every day or part of a day during which the offence continues after conviction.

The EPMR provides for, among other things, certain requirements in relation to the transport, import, and storage and supply of hazardous substances in Singapore.

Under the EPMR, a person shall not consign for transport of hazardous substance unless: (a) he has obtained approval for the proposed transport of such substance; and (b) the container, tank container, freight container or road tanker to be used for the transport of the hazardous substance is designed, constructed and maintained in accordance with the relevant code of practice.

Any person to whom a licence has been granted under the EPMA to import hazardous substances into Singapore shall ensure that the container or tank container in which the hazardous substance is imported into Singapore is designed, constructed, maintained and labelled in accordance with the relevant code of practice.

A person shall be authorised to store hazardous substances where he is issued with a permit to store and use such hazardous substances or where he is in possession of a licence granted under the EPMA to deal in hazardous substances and the storage and use of hazardous substances shall be carried out in accordance with the provisions of such permit granted and the conditions specified therein.

Any person who contravenes the above regulations of the EPMR shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$30,000 or to imprisonment for a term not exceeding 2 years or to both and, in the case of a continuing offence, to a further fine not exceeding S\$1,000 for every day or part thereof during which the offence continues after conviction.

(ii) Environmental Public Health Act 1987 (“EPHA”) and Environmental Public Health (Toxic Industrial Waste) Regulations (“EPhR”)

The EPHA regulates, among others, environmental public health in Singapore. Under the EPHA, a person must not carry on the business of collecting, removing, transporting, storing or importing refuse or waste of any description without a waste collector licence granted under the EPHA.

7. BUSINESS OVERVIEW (Cont'd)

Any person who contravenes any of the provisions of the EPHA shall be guilty of an offence and, where no penalty is expressly provided, shall be liable on conviction to a fine not exceeding S\$5,000 and, in the case of a second or subsequent conviction, to a fine not exceeding S\$10,000 or to imprisonment for a term not exceeding 3 months or to both.

Under the EPHR, a person shall not: (a) carry on or advertise, notify or state that he carries on or is willing to carry on the business of a toxic industrial waste collector; (b) act as toxic industrial waste collector; or (c) in any way hold himself out as ready to undertake for payment or other remuneration any of the functions of a toxic waste collector, unless he is a holder of a toxic industrial waste collector's licence.

Any person who contravenes the EPHR shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$10,000 and, in the case of a continuing offence, to a further fine not exceeding S\$100 for every day or part thereof during which the offence continues after conviction.

(iii) Arms and Explosives Act 1913 ("AEA") and Arms and Explosives (Explosive Precursors) Rules 2007 ("AER")

The AEA regulates, amongst others, the manufacture, use, sale, storage, transport, importation, exportation and possession of explosive precursors in Singapore.

Under the AEA, no person shall, unless authorised thereto by licence, and in accordance with the conditions of the licence and such other conditions as may be prescribed (every licence to possess, control, deal in, or store or keep any explosive precursor is further subject to the conditions set out in the AER), have in his possession or under his control, import, export, manufacture, or deal in any explosive precursor. The AEA also provides that a person must not store or keep, or cause to be stored or kept, any explosive precursor except: (a) in or on premises licensed for the storage or keeping of such explosive precursor and in accordance with the conditions of the licence and such other conditions as may be prescribed; or (b) such other authorised warehouse or store.

A body corporate that contravenes the foregoing shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$100,000.

(iv) Fire Safety Act 1993 ("FSAS") and Fire Safety (Petroleum & Flammable Materials) Regulations ("FSR")

The FSAS regulates, amongst others, the import, storage and road transportation of petroleum and flammable materials in Singapore.

The FSAS provides that, among other things, a person must not store or keep, or cause to be stored or kept, any flammable material except: (a) in or on licensed premises; (b) in such quantities and in such manner and in accordance with requirements prescribed in relation to such flammable material; and (c) under the authority of and in accordance with the provisions of a storage licence granted under the FSAS and every condition specified therein. The FSAS also provides that a person must not import or transport any flammable material unless effected in accordance with the provisions of the person's licence and every condition specified therein, and in such quantities and such manner and in accordance with requirements prescribed in relation to such flammable material.

Any person who is guilty of an offence pursuant to any of the foregoing provisions shall be liable on conviction to a fine not exceeding S\$10,000 or to imprisonment for a term not exceeding 6 months or to both, and in the case of a continuing offence, to a further fine not exceeding S\$1,000 for every day or part of a day during which the offence continues after conviction.

The FSR provides for, amongst other things, certain requirements in relation to the import, storage and transport of flammable materials.

7. BUSINESS OVERVIEW (Cont'd)

Under the FSR, every container, tank, freight container or road tanker to be used to import any scheduled chemical, regardless of quantity, must be designed, constructed, maintained and labelled in accordance with a specified accepted code of practice.

Under the FSR, in relation to the storage of flammable materials, the storage licensee for any licensed premises shall maintain up-to-date records of, amongst others, all flammable materials stored or kept at the licensed premises. Storage licensees must also ensure that containers of any flammable materials are stored in the manner prescribed under the FSR, and that the ventilation, means of escape, structural fire precautions, fire prevention and extinguishing systems of the licensed premises are properly constructed and installed in accordance with the provisions of certain specified regulations and an accepted code of practice.

In relation to the transport of flammable materials, the FSR provides, among other things, that a vehicle used for the transportation of flammable materials in excess of prescribed quantities must be issued with a transportation licence. Under the FSR, the transport by land in a vehicle of different types of flammable materials or certain prescribed chemicals also requires a licence to transport. In addition, drivers of licensed vehicles are required to hold a valid Hazardous Materials Transport Driver Permit at all times when transporting flammable materials. Drivers are also required to adhere to certain pre-approved routes of transport and to transport flammable materials only during certain permitted times.

Any person who contravenes the foregoing provisions of the FSR shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$10,000 or to imprisonment for a term not exceeding 6 months or to both.

(v) Workplace Safety and Health Act 2006 (“WSHA”) and Workplace Safety and Health (General Provisions) Regulations (“WSHR”)

Under the WSHA, every employer has the duty to take, so far as is reasonably practicable, such measures as are necessary to ensure the safety and health of his employees at work. These measures include:

- (a) providing and maintaining for the employee a work environment which is safe, without risk to health, and adequate as regards to facilities and arrangements for their welfare at work;
- (b) ensuring that adequate safety measures are taken in respect of any machinery, equipment, plant, article or process used by the employees;
- (c) ensuring that the employees are not exposed to hazards arising out of the arrangement, disposal, manipulation, organisation, processing, storage, transport, working or use of things in their workplace or near their workplace and under the control of the employer;
- (d) developing and implementing procedures for dealing with emergencies that may arise while those persons are at work; and
- (e) ensuring that those persons at work have adequate instruction, information, training and supervision as is necessary for them to perform their work.

In the event of contravention of the foregoing duty, the employer shall be guilty of an offence and shall be liable on conviction, in the case of a body corporate, to a fine not exceeding S\$500,000. In the case of a continuing offence, a further fine of not exceeding S\$5,000 for every day or part of a day during which the offence continues after conviction.

7. BUSINESS OVERVIEW (Cont'd)

The WSHR provide additional specific duties imposed on employers, including, among others, taking: (i) effective measures to protect persons at work from the harmful effects of any exposure to any biohazardous material which may constitute a risk to their health; and (ii) protective measures in relation to tanks, structures, sumps or pits containing dangerous substances.

Any person who contravenes the foregoing provisions of the WSHR shall be guilty of an offence and will be liable on conviction to a fine not exceeding S\$50,000 or to imprisonment for a term not exceeding 2 years or to both.

(vi) Work Injury Compensation Act 2019 (“WICA”)

The WICA applies to all employees in all industries engaged under a contract of service in respect of injury suffered by them in the course of their employment and sets out, among others, the amount of compensation they are entitled to and the method(s) of calculating such compensation. The WICA provides that the employer shall be liable to pay compensation in accordance with the provisions of the WICA, if personal injury by accident arising out of and in the course of the employment is caused to an employee. A person who fails to pay the whole or any part of the compensation payable in accordance with the WICA, or to do so within the time required, shall be guilty of an offence and will be liable on first conviction to a fine not exceeding S\$15,000 or to imprisonment for a term not exceeding 12 months or to both.

Employers are required to maintain work injury compensation insurance for all employees doing manual work regardless of salary level and non-manual employees earning S\$2,600 or less a month, who are engaged under contracts of service (unless exempted). An employer who contravenes the foregoing provisions shall be guilty of an offence and shall be liable on first conviction to a fine not exceeding S\$10,000 or to imprisonment for a term not exceeding 12 months or to both.

7.20.3 Governing laws and regulations relating to Vietnam

(i) Law on Investment No. 61/2020/QH14 (as amended in 2020, 2022, 2023 and 2024) (“Investment Law”) and its guidance regulations, and the Schedule of Specific Commitments in Services in Vietnam’s Commitments to the WTO (“WTO Commitments”)

Foreign investment into Vietnam is regulated by both domestic legislation and international agreements with the primary regulations being the Investment Law and the WTO Commitments. Foreign investment is divided into three general categories: unrestricted, restricted, and prohibited. With respect to the “restricted” category, restrictions can take the form of a specific foreign ownership ceiling in a foreign-invested company, a general requirement to enter into a joint venture with a local party, the scope of investment activities, the requirement to obtain certain government approvals for foreign ownership with respect to the conditional industries, operational license of the foreign-invested enterprises or FIEs, or a combination thereof. For example, there is no foreign ownership limitation in companies providing warehousing services or general wholesaling of goods (including chemicals).

(ii) Law on Chemical No. 06/2007/QH12 (as amended in 2018 and 2023) (“Chemical Law”) and its guidance regulations; Decree No. 113/2017/ND-CP (as amended in 2020, 2022 and 2024) (“Decree 113”); and Decree No. 71/2019/ND-CP (as amended in 2022) (“Decree 71”)

The Chemical Law and Decree 113 provide that in order to trade chemicals, the trader is required to (i) satisfy the conditions on the facilities and expertise in trading chemicals and (ii) be responsible for compliance with the chemical management and safety provisions. In addition, with respect to trading conditional chemicals and the industrial sector, the trader shall, among others:

7. BUSINESS OVERVIEW (Cont'd)

- (a) obtain the Certificate of Eligibility for Production and Trading of Chemicals subject to Conditional Production and Trading in the Industrial Sector (recording all conditional chemicals and the industrial sector permitted to be sold by the trader);
- (b) maintain the conditions for chemical trading throughout the course of business activities;
- (c) keep all bills of sale, proof of origin, manufacturer, importer, or supplier of industrial precursors;
- (d) prepare material safety data sheet for dangerous chemicals prior to being used or circulated on the market; and
- (e) formulate a separate industrial precursor monitoring book.

For importing and exporting industrial precursors, except for certain cases where the industrial precursor imports and export license are exempted, the importer and exporter shall obtain the import and export license. In addition, the Chemical Law requires the investor in the chemical trading project to prepare chemical-incident prevention and response measures or chemical-incident prevention and response plan. The investor in chemical trading projects is also obliged to coordinate with local administrations in collecting opinions of the communities in the localities where the projects are to be executed on environmental protection measures. Depending on the specific non-compliance with requirements on trading chemicals, the trader may be subject to monetary fines and be compelled to perform additional sanctions such as suspension of the business operation for a period of time, or taking remedial measures for environmental pollution if an unsafe environment occurs. Failure to comply with regulations on importing and exporting industrial precursor under the industrial precursor import and export license, the violator may be subject to monetary fines and be compelled to perform additional administrative sanctions such as revocation of the issued import and export license, removal from Vietnam or re-export of imported industrial precursors.

(iii) Foreign Exchange Ordinance No. 28/2005/PL-UBTVQH11 (as amended in 2013) and its guidance regulations

Financial support in the form of loans, direct cash injections, and guarantees provided by an offshore entity to a Vietnam entity is permitted under Vietnamese laws, including Vietnam's foreign exchange control regime. Foreign loans provided by offshore lenders to Vietnam entities (a) with a term of more than 12 months, (b) with a term of up to 12 months which is extended and results in the total term of the loan exceeding 12 months, and (c) with a term of up to 12 months which is outstanding at the first anniversary of the drawdown date of such loan and the Vietnamese entities fail to repay the unpaid amount within ten days following the first anniversary, must be registered with the State Bank of Vietnam. Loans provided by offshore lenders to Vietnam entities must also satisfy certain conditions with respect to the term, type, and purpose of the loan.

Vietnam does not possess a fully liberalised foreign exchange control regime, and the use, exchange, and remittance of foreign currencies are regulated by the Ordinance on Foreign Exchange Control and its guiding instruments, along with miscellaneous regulations on inward investment. Vietnam has historically imposed exchange control mechanisms designed to limit foreign currency outflows, generally requiring the use of the Vietnamese Dong in domestic transactions and attempting to channel foreign currencies into its banking system. Vietnam's exchange control policy is administered primarily by the State Bank of Vietnam.

7. BUSINESS OVERVIEW (Cont'd)

(iv) Labour Code No. 45/2019/QH14 as amended in 2024 (“Labour Code”) and its guidance regulations

Vietnam’s Labor Code, along with a number of guiding instruments, regulates the relationship between employers and employees in Vietnam, including both Vietnamese nationals and expatriates. It specifies that an employment contract must be made in writing subject to a few exceptions provided under the Labor Code. There are broadly two types of labour contracts: indefinite term contracts and fixed term contracts (with the term not exceeding 36 months). Under the Labor Code, even when parties to an agreement refer to it by a different name (for example, a service agreement), such agreement can still be considered an employment contract if it provides for payment of salary or compensation, and management and supervision of one party. Vietnam has a particularly employee-friendly labour law regime.

(v) Law on Environment Protection No. 72/2020/QH14 (as amended in 2022 and 2023) (“Environment Protection Law”) and its guidance regulations; and Decree No. 08/2022/ND-CP (as amended in 2023)

Depending on the type of project and the capacity, the owner of the investment project or establishment, concentrated areas for production, business and service provision, industrial clusters that generate wastewater, dust, and exhaust gases that must be treated into the environment or generate hazardous waste, is required to either (a) obtain the environment permit or (b) conduct the environment registration. The Environment Protection Law provides for a grace period for existing facilities where the environment permit can be obtained before January 1, 2025.

The owner of the investment project or establishment (including a chemical trading company) is required to obtain an environment permit if its investment project or establishment: (a) generates wastewater, dust, and exhaust gases that require treatment before discharging into the environment or be treated by an on-site treatment facility or be treated in accordance with requirement of the industrial zone developer; or (b) generates hazardous waste of 100 kg per month or more and 1,200 kg per year or more.

Any company which falls outside of the criteria as stated above is required to conduct an environment registration, except for the cases where (a) it does not generate waste or only generates domestic solid waste of less than 300 kg per day which is managed in accordance with the regulations of the local authority; or (b) it generates wastewater of less than 5 m³ per day or exhaust of less than 50 m³ per day which are treated by the on-site treatment facility or is managed in accordance with the regulations of the local authority.

7. BUSINESS OVERVIEW (Cont'd)

7.21 NON-COMPLIANCES WITH THE RELEVANT LAWS, REGULATIONS, RULES AND REQUIREMENTS GOVERNING THE CONDUCT OF THE OPERATIONS OF OUR GROUP

Save for the non-compliances as disclosed below which do not have a material impact to the business operations and financial condition of our Group, as at the date of this Prospectus, our Group is in compliance with the relevant laws, regulations, rules and requirements governing the conduct of the business of our Group:

7.21.1 Non-compliances in respect of CCCs or equivalent

No.	Nature of non-compliance	Status as at the date of this Prospectus and rectification measures taken or to be taken	Estimated time for rectification	Estimated cost of rectification	Potential maximum penalty	Impact to business operations or financial condition
1.	<p>The CCC or equivalent has yet to be obtained for the following structures erected at our Port Klang Facility 2:</p> <ul style="list-style-type: none"> (i) New canopy; (ii) New mezzanine floor; (iii) Extension of Block B warehouse; (iv) New acids and ferric tank farm; (v) New caustic and hypo tank farm; (vi) Schedule waste storage; (vii) IBC shelter (A); (viii) IBC shelter (B); (ix) Guard house; (x) Canteen; and (xi) Toilet and prayer room. 	<p>We had on 29 September 2023 submitted our application for KM approval by the Klang Royal City Council (<i>formerly</i> Klang Municipal Council) ("MBDK") and obtained the conditional KM approval on 29 February 2024.</p>	<p>We expect to obtain the CCC by July 2025.</p>	<p>RM2,362,675 for consultancy fees and application costs.</p>	<p>RM121,786 pursuant to the applicable planning rules.</p> <p>Additionally, a fine not exceeding RM250,000 or imprisonment for a term not exceeding 10 years or both pursuant to Section 70(27) of the SDBA.</p>	<p>The impact to the business operations or financial condition of our Group is not material due to the following:</p> <ul style="list-style-type: none"> (i) the estimated cost of rectification and potential maximum penalty are not material to our Group; (ii) the total area of the structures without CCC represent between 12% to 13% of our Port Klang Facility 2, which is not material;

7. BUSINESS OVERVIEW (Cont'd)

<u>No.</u>	<u>Nature of non-compliance</u>	<u>Status as at the date of this Prospectus and rectification measures taken or to be taken</u>	<u>Estimated time for rectification</u>	<u>Estimated cost of rectification</u>	<u>Potential maximum penalty</u>	<u>Impact to business operations or financial condition</u>
		<p>The building plan was submitted to Bomba for approval in January 2024 and re-submitted in May 2024 after incorporating Bomba's comments. We received further comments from Bomba on 19 July 2024 and 22 August 2024. Bomba's approval is expected to be obtained by November 2024 and thereafter, we expect to submit the building plan application to MBDK's Building Department for approval by November 2024. The building plan approval is expected to be obtained by January 2025.</p>				<p>(iii) there are alternative plans in place and Port Klang Facility 2 can operate even if our Group is required to vacant the structures without CCC.</p>
		<p>Construction is expected to commence in February 2025 for a period of 4 months, on the following structures per the requirements of Bomba and MBDK:</p> <ul style="list-style-type: none"> • Pump room; • Fire water tank; • Hydrant piping; and • Fire alarm system. 				

7. BUSINESS OVERVIEW (Cont'd)

<u>No.</u>	<u>Nature of non-compliance</u>	<u>Status as at the date of this Prospectus and rectification measures taken or to be taken</u>	<u>Estimated time for rectification</u>	<u>Estimated cost of rectification</u>	<u>Potential maximum penalty</u>	<u>Impact to business operations or financial condition</u>
		Upon construction completion, we expect to receive MBDK's Building Department's letter of support following their inspection.				
2.	The CCC or equivalent has yet to be obtained for a car park shed, a guard house extension, a scheduled waste shed and a diesel tank shed erected at our Tanjung Langsat Facility.	We had on 8 February 2024 submitted our applications to the Pasir Gudang City Council ("MBPG") for KM and building plan approvals. At MBPG's request we had on 28 May 2024 submitted amended building plans for approval. We had also on 1 September 2024 obtained a letter of support from the Department of Environment at MBPG's request. The conditional KM approval was obtained in October 2024 and the building plan approval is expected to be obtained by December 2024.	We expect to obtain the CCC by January 2025.	RM108,897 for consultancy fees and application costs.	RM7,640 pursuant to the applicable planning rules. Additionally, a fine not exceeding RM250,000 or imprisonment for a term not exceeding 10 years or both pursuant to Section 70(27) of the SDBA.	The impact to the business operations or financial condition of our Group is not material as the estimated cost of rectification and potential maximum penalty are not material to our TMK Group.

7. BUSINESS OVERVIEW (Cont'd)

7.21.2 Non-compliances in respect of the fire certificates

Nature of non-compliance	Status as at the date of this Prospectus and rectification measures taken or to be taken	Estimated time for rectification	Estimated cost of rectification	Potential maximum penalty	Impact to business operations or financial condition																								
<p>The fire certificates have yet to be obtained for 1 warehouse, 1 terminal and 3 offices.</p> <p>The affected warehouse is our material property, Port Klang Facility 2 and the affected terminal is our material property, Pasir Gudang Terminal.</p> <p>The 3 offices are located at Ground Floor and Level 6 of Meritus @ Oasis Corporate Park owned by our Group and are not our material properties.</p>	<p>Locations that do not have fire certificates:</p> <table border="1"> <thead> <tr> <th>Location</th> <th>Date of Application</th> </tr> </thead> <tbody> <tr> <td>Port Klang Facility 2</td> <td>Application for the fire certificate will be made after the CCC is issued. We expect to obtain the CCC by July 2025.</td> </tr> <tr> <td>Pasir Gudang Terminal</td> <td>We had pursuant to the FSA given notice to Bomba on 27 August 2024 of our intention to demolish and reconstruct a double storey office located within our Pasir Gudang Terminal prior to the expiry of our fire certificate on 2 September 2024.</td> </tr> <tr> <td></td> <td>Following the said notification, Bomba will not issue a fire certificate until after the CCC for the re-constructed building has been obtained. We expect to obtain the CCC by March 2026.</td> </tr> </tbody> </table>	Location	Date of Application	Port Klang Facility 2	Application for the fire certificate will be made after the CCC is issued. We expect to obtain the CCC by July 2025.	Pasir Gudang Terminal	We had pursuant to the FSA given notice to Bomba on 27 August 2024 of our intention to demolish and reconstruct a double storey office located within our Pasir Gudang Terminal prior to the expiry of our fire certificate on 2 September 2024.		Following the said notification, Bomba will not issue a fire certificate until after the CCC for the re-constructed building has been obtained. We expect to obtain the CCC by March 2026.	<p>We expect to obtain the fire certificates by the following dates:</p> <table border="1"> <thead> <tr> <th>Location</th> <th>Estimated Date</th> </tr> </thead> <tbody> <tr> <td>Port Klang Facility 2</td> <td>October 2025</td> </tr> <tr> <td>Pasir Gudang Terminal</td> <td>April 2026</td> </tr> <tr> <td>Three offices at Meritus @ Oasis Corporate Park</td> <td>The application will be submitted by the JMB. We confirm that these properties are not our Group's material properties as they are not essential to the operations of our Group and that we can</td> </tr> </tbody> </table>	Location	Estimated Date	Port Klang Facility 2	October 2025	Pasir Gudang Terminal	April 2026	Three offices at Meritus @ Oasis Corporate Park	The application will be submitted by the JMB. We confirm that these properties are not our Group's material properties as they are not essential to the operations of our Group and that we can	<table border="1"> <thead> <tr> <th>Location</th> <th>Estimated Cost</th> </tr> </thead> <tbody> <tr> <td>Port Klang Facility 2</td> <td>RM8,000</td> </tr> <tr> <td>Pasir Gudang Terminal</td> <td>RM1,000</td> </tr> <tr> <td>Three offices at Meritus @ Oasis Corporate Park</td> <td>Nil. The JMB will bear the cost of obtaining fire certificates.</td> </tr> </tbody> </table>	Location	Estimated Cost	Port Klang Facility 2	RM8,000	Pasir Gudang Terminal	RM1,000	Three offices at Meritus @ Oasis Corporate Park	Nil. The JMB will bear the cost of obtaining fire certificates.	<p>Our Group may be liable on conviction to a fine not exceeding RM50,000 (for every designated premise) or to imprisonment for a term not exceeding 5 years or both pursuant to Section 33 of the FSA.</p>	<p>The impact to the business operations or financial condition of our Group would not be material as the estimated cost of rectification and the potential maximum penalties are not material to our Group.</p>
Location	Date of Application																												
Port Klang Facility 2	Application for the fire certificate will be made after the CCC is issued. We expect to obtain the CCC by July 2025.																												
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7. BUSINESS OVERVIEW (Cont'd)

Nature of non-compliance	Status as at the date of this Prospectus and rectification measures taken or to be taken	Estimated time for rectification	Estimated cost of rectification	Potential maximum penalty	Impact to business operations or financial condition
	<p>3 offices at Meritus @ Oasis Corporate Park</p> <p>We were informed by the Joint Management Body of Meritus @ Oasis Corporate Park (“JMB”) that an inspection was carried out at the premises by Bomba on 1 August 2023 and Bomba had requested for certain measures to be undertaken by the JMB by end-May 2024 before they re-inspect the premises. We were informed by the JMB that they are currently in the process of rectifying all the comments received from Bomba and will only apply for Bomba inspection after the rectification works have been completed. The JMB estimates to reapply for Bomba inspection of the premises by 3 February 2025.</p>	<p>easily re-locate to other office premises.</p>			

7. BUSINESS OVERVIEW (Cont'd)

The non-compliant buildings in Malaysia do not have a material impact to the business operations and financial condition of our Group as:

- (i) The consultants engaged by us to apply for the CCCs for the structures listed in Section 7.21.1 above have advised that the respective CCCs are expected to be obtained by July 2025 for Port Klang Facility 2 and January 2025 for Tanjung Langsat Facility. The consultants have advised that they will work closely with the relevant authorities to satisfy the requirements and/or assist us in fulfilling any condition imposed necessary to obtain the requisite CCCs. The consultants are of the view that the applications will be approved by the authorities;
- (ii) The consultants engaged by us to apply for fire certificates for our Port Klang Facility 2 and our Pasir Gudang Terminal listed in Section 7.21.2 above have advised that they will work closely with Bomba and other relevant authorities to satisfy the requirements and/or assist us in fulfilling any condition imposed necessary to obtain the requisite fire certificates. The consultants believe that the applications will be approved by the authorities;
- (iii) The three offices at Meritus @ Oasis Corporate Park listed in Section 7.21.2 above are not our Group's material properties; and
- (iv) The impact of these non-compliances to our Group, individually and collectively, are not material to our business operations and financial condition of our Group as the total estimated rectification costs, potential maximum penalties and net additional costs associated with these non-compliances represent less than 5% of our Group's PAT for the FYE 2023.

The table below summarises the total estimated costs (being the estimated rectification costs and potential maximum penalties applicable) relating to the abovementioned non-compliances that are pending rectification as at the LPD:

Summary description of non-compliances	Estimated cost to rectify non-compliances (A)	Potential maximum penalty (B)	Total estimated costs (A+B)	% of our Group's PAT for the FYE 2023
	(RM'000)	(RM'000)	(RM'000)	(%)
Non-compliances in respect of:	2,480.6 ⁽¹⁾	879.4	3,360	3.7
(1) CCCs or equivalent;				
and				
(2) fire certificates				

Note:

- (1) Excludes the estimated costs for rectification in relation to the three offices at Meritus @ Oasis Corporate Park as these are non-material properties of our Group and the costs for obtaining the fire certificates are to be borne by the JMB.

Notwithstanding that the outstanding non-compliances may remain unresolved at the time of our Listing, we will continue to make the necessary applications and/or engage with the relevant authorities even after our Listing to resolve and address the outstanding non-compliance incidents in accordance with the directions of the relevant authorities. Our management is following up closely and liaising with relevant authorities to resolve the said non-compliances in the best interest of our Company. We will update our shareholders on the status of our outstanding non-compliance incidents in our annual reports.

7.21.3 Internal control measures to prevent incidences of non-compliances

We have put in place the following internal policies:

7. BUSINESS OVERVIEW (Cont'd)

- (i) We had on 10 October 2023 established, among others, our Audit and Risk Committee. Our Audit and Risk Committee's terms of reference sets out its duties and obligation include overseeing our Group's internal control framework to ensure operational effectiveness and efficiency, and encourage legal and regulatory compliance as well as reviewing the risk management framework and its related policies within our Group, ensuring the infrastructure, resources and systems are in place and adequate for risk management, and that processes for the identification, measurement and analysis, reporting, and mitigation of risks are in place;
- (ii) Our Chief Financial Officer is responsible for monitoring and overseeing our Group's tax compliance matters and to ensure that non-compliance tax incidents are adequately investigated and the reporting of issues to appropriate authorities in a timely manner;
- (iii) All of our Group's finance department shall report to our Chief Financial Officer matters relating to tax non-compliances matters. Our Chief Financial Officer shall monitor and track the progress of rectification plans and status of our Group's tax compliance obligations including the progress of rectification plans, if any, and report to our Managing Director, who shall in turn report our Group's tax compliance obligations, issues and breaches to our Board. The Internal Audit department shall review the tax compliance matters and report to the Audit and Risk Committee.

In summary, the following are the internal tax policies that have been put in place:

- The designated accountants of each of our Group's subsidiary will prepare, update and review the tax compliance register for the purposes of monitoring the tax filing deadlines and tax submission status for each of our subsidiary; and
 - Our Group's finance department shall then review the tax compliance registers and report our Group's tax compliance obligations, issues and/or breaches to our Chief Financial Officer;
- (iv) With regards to all non-tax related matters, we have a designated compliance officer who will be responsible for monitoring and overseeing our Group's legal and regulatory compliance matters ("**Compliance Officer**"), including the compliance with licences, permits and approvals for the various businesses in the various jurisdictions and to ensure that non-compliance incidents are adequately investigated and the reporting of issues to appropriate parties in a timely manner. All subsidiaries within our Group shall report to our Compliance Officer matters relating to legal and regulatory non-compliances which are non-tax related. Our Compliance Officer shall monitor the status of our Group's compliance with the requisite legal and regulatory obligations and shall report to our Managing Director the progress of rectification plans and status of our Group's compliance obligations. Our Managing Director shall in turn report our Group's compliance obligations, issues and/or breaches to our Board.

In summary, the following are the internal policies that have been put in place:

- The respective Heads of Department are responsible in ensuring that all activities intended to be carried out are in compliance with all legal, regulatory and business compliance requirements and obligations are managed and reported in accordance with our compliance framework requirements established by our Compliance Officer; and
- Where appropriate, consultant(s) to be engaged to advise and submit requisite applications necessary to ensure compliance with all legal, regulatory and business compliance requirements including but not limited to CCCs, fire certificates and/or other requisite permits and/or licence(s);

7. BUSINESS OVERVIEW (Cont'd)

- (v) We have an Internal Audit department for purposes of co-ordinating and advising on risk and control activities to ensure that the management of our response to mitigate risks identified is carried out effectively. Our Internal Audit department also undertakes an independent review and assessment on the effectiveness of the internal control measures implemented by our Group. Our Internal Audit department provides independent assurance to our Board (via our Audit and Risk Committee) and management regarding our Group's internal controls and assessing compliance with policies, procedures, laws and regulations and provide recommendations on improving the compliance of our Group. With regards to the non-compliance incidents as set out above, our Internal Audit department will be responsible for evaluating the compliance risk faced by our Group resulting from the non-compliance incidents, and reviewing the effectiveness of all internal policies, procedures and processes implemented by our Group in ensuring compliance. Our Internal Audit department will report directly to our Audit and Risk Committee on the audit findings pertaining to internal controls; and
- (vi) We will seek professional advice and assistance from independent internal control consultants, external legal advisers, external accountants, auditors and/or other appropriate independent professional advisers, where necessary, with respect to matters related to our Group's internal controls and compliance, and to provide updates on the applicable laws related to the business operations of our Group. We will also engage professionals where necessary to provide training to our Directors and employees of our Group to develop a clear understanding of matters related to our internal controls and compliances for them to leverage on their understanding to enhance our Group's policies and processes and implementation of the same.

The internal policies in relation to non-tax related matters listed above is put in place to prevent future recurrences of non-compliances incidents set out in Section 7.21 above.

7.22 MAJOR LICENCES, PERMITS AND APPROVALS

We have various licences and permits for our operations in Malaysia and other jurisdictions where we operate. Details of our major licences, permits and approvals are set out in Annexure A of this Prospectus.

7.23 MATERIAL PROPERTIES AND EQUIPMENT

Details of our material properties, whether owned or leased/tenanted, and our material equipment are set out in Annexure B of this Prospectus.

7.24 ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRACTICES

We are dedicated to achieving excellence in sustainability within our business by operating with environmental and social responsibility and aiming to adopt a high standard of corporate governance.

Our Board has identified a designated person within our management to provide dedicated focus to manage sustainability strategically ("**Sustainability Officer**"). Our Sustainability Officer is responsible for proposing annual sustainability targets for our Board's approval. Once our Board approves the proposed sustainability targets, our Sustainability Officer is responsible for presenting the achievement progress towards the approved sustainability targets to our Board on a bi-annual basis for review and endorsement. The roles and responsibilities of our governance structure for sustainability matters are set out below:

Board

- (i) Sets the overall sustainability values and strategies of our Group;

7. BUSINESS OVERVIEW (Cont'd)

- (ii) Oversees, implements and monitors compliance with our Business Ethics and Code of Conduct (“Code”) and investigates reports of suspected violations of law or the Code and reviews the Code on a periodic basis;
- (iii) Reviews our Sustainability Policy;
- (iv) Approves sustainability targets proposed by our Sustainability Officer;
- (v) Reviews and endorses the progress of the approved sustainability targets reported by our Sustainability Officer; and
- (vi) Approves sustainability disclosures prepared by our Sustainability Officer.

Sustainability Officer

- (i) Identifies ESG risks and opportunities relevant to our Group’s business operations;
- (ii) Proposes short, medium and long-term quantifiable sustainability targets to our Board for approval on an annual basis;
- (iii) Coordinates and implements the approved sustainability targets in the daily operations of our Group; and
- (iv) Monitors and reports the progress of the approved sustainability targets to our Board on a bi-annual basis.

Our Group’s ESG practices are set out below:

7.24.1 Environmental

We acknowledge the importance of safeguarding the environment and are dedicated to fulfilling the following commitments:

- (a) Raise and advocate for environmental awareness within our Group and among our stakeholders through our Group’s Sustainability Policy and other initiatives;
- (b) Promote responsible energy and resource management and utilisation in daily operations, including the implementation of carbon reduction strategies, the utilisation of green technologies and the incorporation of environmentally sustainable practices whenever feasible;
- (c) Maintain an ongoing improvement program for enhancing environmental performance by integrating suitable monitoring systems and improvement objectives related to key areas of our Group’s operations; and
- (d) Adhere to all relevant statutory and regulatory obligations concerning environmental matters.

7. BUSINESS OVERVIEW (Cont'd)

We are committed to reaching our target of minimising our carbon footprint by installing solar panels at our facilities and terminals. We have installed solar panels at Port Klang Facility 2, Pasir Gudang Facility, Seberang Perai Facility and Pasir Gudang Terminal, whereas the installation of solar panels at Banting Plant 1 and Tanjung Langsat Facility is in progress. We also have plans to install solar panels at our other facilities in the future. The solar panels installed in our facilities and terminals mentioned above have a total electric generating capacity of 160.6 kWp, which is expected to generate a total of approximately 144,000 kWh of electricity per year, reducing approximately 109 tonnes of carbon dioxide (“CO₂”) per year. The solar panels at Banting Plant 1 and Tanjung Langsat Facility which are currently being installed will have a total electric generating capacity of 2,287.2 kWp, which is expected to generate a total of approximately 3,119,000 kWh of electricity per year once installation is complete. This will result in a further reduction of approximately 2,255 tonnes of CO₂ per year. In addition, out of our fleet of 41 forklifts, 8 are electric forklifts. Upon proving to be suitable, we have plans to fully replace all of our forklifts with electric forklifts. The suitability of electric forklifts will be assessed based on, among others, cost feasibility, suitability for our chemical environment, actual operational hours of electric forklifts, charging duration as well as overall efficiency performance as compared to diesel forklifts.

In 2023, we obtained our Environmental Management System – ISO 14001:2015 certification from the Asia-Pacific Accreditation Cooperation, British Standards Institution. This certifies that our Group fulfills the requirements for environmental management system for the provision of marketing, production, warehousing and distribution of chemicals.

7.24.2 Social

We strive to uphold human rights, labour standards and legal and regulatory obligations in order to safeguard and provide assistance to the communities in which our operation centres are located in. Our Group strongly advocates the following set of fundamental principles:

- (a) Embrace diversity, foster inclusivity, promote gender equality, and create an environment that is devoid of discrimination and harassment;
- (b) Provide and maintain a work environment that prioritises health and safety;
- (c) Consistently aid the advancement and development of the social, economic and developmental aspects of local communities; and
- (d) Adhere to all relevant statutory and regulatory obligations concerning human rights and employment.

Our Group has established the following policies that support our Group’s values and commitment to human rights:

- (i) Human rights policy, to provide the guiding principles in accordance with the principles as laid out in the International Bill of Human Rights as well as the UN Guiding Principles on Business and Human Rights for employees and vendors to adhere to the basic human rights and values during their engagement with our Group;
- (ii) Diversity policy, to promote diversity on our Board and workforce of our Group, where all persons regardless of age, gender, ethnicity, religion, cultural background or other personal factors, with appropriate skills, experience and qualifications will be considered equally based on merit; and
- (iii) Sexual harassment policy, to prevent and eradicate sexual harassment in the form of physical conduct, verbal conduct and non-verbal conduct.

To demonstrate our efforts in embracing diversity in our workforce, the statistics on the workforce composition as at the LPD are as below:

- Approximately 92% local employees and 8% foreign employees;

7. BUSINESS OVERVIEW (Cont'd)

- Approximately 48% male employees and 52% female employees at our headquarter;
- Approximately 78% male employees and 22% female employees at other offices and locations; and
- our Board is comprised of 50% men and 50% women.

Due to the working environment of our business operations, the majority of our employees are men.

We have implemented various health and safety policies and offered health and safety training programs for our employees to ensure a safe, healthy and conducive workplace and reduce the risk of workplace injury. The health and safety policies established by our Group includes, among others, emergency response plan, warehouse security, safety induction, chemical spill and safe loading of cargo. For further details on workplace health and safety, see Section 5.1.10 of this Prospectus.

We aim to continuously develop our employees through internal and external training and seminars to enhance their competencies in performing their daily tasks. The training and seminars cover various areas such as scheduled waste management, occupational safety and sustainability reporting. In 2023, a total of 15 training courses and 2 seminars were implemented, with approximately RM62,634 incurred in training costs. In 2024, up to the LPD, a total of 30 training courses and 1 seminar have been implemented with approximately RM120,000 incurred in training costs. Moving forward, we are committed to the technical upskilling of our employees with an emphasis on practical components and exposure to industry training.

Additionally, we have developed on the job training and cross-functional refresher initiatives related to our integrated management systems and Health & Safety Policies to ensure the further development of our employees.

We believe in supporting and giving back to the communities in which we operate in. In the Periods Under Review and up to the LPD, we have incurred a total of RM91,500 on the corporate social responsibility activities that we initiated, as set out below:

- (i) Flood Relief
- (ii) Covid-19 Test Kit Donation
- (iii) Program 3K – “Gotong Royong Madani”
- (iv) Mangrove Planting
- (v) MBPG – Dynamic Sports Day Fun Run & Ride
- (vi) Mangrove Planting 2023 with Tuan Yang Terutama Pulau Pinang
- (vii) 3R Campaign

7.24.3 Governance

We are committed to achieving and sustaining a high standard of corporate governance. In this respect, we have adopted recommendations under the MCCG including practices on board leadership and effectiveness, effective audit and risk management, integrity in corporate reporting and establishing meaningful relationships with our stakeholders. As at the LPD, half of our Board members are independent directors. We have also met the MCCG’s recommendation to have at least 30% women directors, where half of our Board members are women as at the LPD. Our board charter and the role of our Chairman in leading our Board are set out in Section 9.2 of this Prospectus. Our governance structure includes the Audit and Risk Committee and the Nomination and Remuneration Committee. For further details of our board committees, see Sections 9.2.6 and 9.2.7 of this Prospectus.

We have in place our Code which sets out the standards for appropriate business conduct for our employees, officers, Directors, agents and representatives of our Group, our affiliates, divisions, business units and manufacturing sites worldwide.

To uphold good governance practices, we have adopted, among others, the following policies:

7. BUSINESS OVERVIEW (Cont'd)

- (a) Anti-bribery and corruption policy, to ensure compliance with the Malaysian Anti-Corruption Commission Act 2009 to govern the implementation and continuous improvement of anti-corruption initiatives undertaken by our Group;
- (b) Whistleblowing policy, to provide a formal, confidential channel to enable employees of our Group to report in good faith, serious concerns of any improper conduct and/or criminal offence that could be harmful to our Group, our employees, shareholders, or the public;
- (c) Conflict of interest policy, to ensure compliance with the Listing Requirements and provisions under the Act, as well as to ensure the effective identification and management of any actual, potential and perceived conflicts of interest;
- (d) Related party transaction policy, to ensure compliance with the Listing Requirements and provide guidelines for the review and approval of transactions by our Audit and Risk Committee or our Board as well as the disclosure and approval requirements for related party transactions; and
- (e) Fit and proper policy, to provide the fit and proper criteria for our Nomination and Remuneration Committee in the review and assessment of candidates that are to be appointed on our Board as well as existing Directors who are seeking for re-election.

8. INDUSTRY OVERVIEW

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 15-01, Level 15, Menara MBMR, 1 Jalan Syed Putra, 58000 Kuala Lumpur, Malaysia
 T : +603 2732 7537 W : www.smith-zander.com

SMITH ZANDER

Date: 5 November 2024

The Board of Directors

TMK Chemical Bhd
(Formerly known as Taiko Marketing Sdn Bhd)
 B2-6-01, Blok 2, Meritus @ Oasis Corporate Park
 No. 2 Jalan PJU 1A/2
 Ara Damansara
 47301 Petaling Jaya
 Selangor

Dear Sirs/Madams,

Independent Market Research Report on the Inorganic Chemicals Industry in Malaysia, Vietnam and Singapore (“IMR Report”)

This IMR Report has been prepared by SMITH ZANDER INTERNATIONAL SDN BHD (“SMITH ZANDER”) for inclusion in the Prospectus in conjunction with the initial public offering and listing of TMK Chemical Bhd on the Main Market of Bursa Malaysia Securities Berhad.

The objective of this IMR Report is to provide an independent view of the industry and market(s) in which TMK Chemical Bhd and its subsidiaries (“TMK Group”) operate and to offer a clear understanding of the industry and market dynamics. As TMK Group is principally involved in the provision of total chemical management comprising sourcing, processing and distribution of inorganic chemicals and value-added services, as well as the provision of chemical terminal services which encompasses bulk storage services, with operations in Malaysia, Vietnam and Singapore, the scope of work for this IMR Report will address the following areas:

- (i) The inorganic chemicals industry in Malaysia; and
- (ii) The inorganic chemicals industry in Vietnam and Singapore.

The research process for this study has been undertaken through secondary or desktop research, as well as detailed primary research when required, which involves discussing the status of the industry with leading industry participants and industry experts. Quantitative market information could be sourced from interviews by way of primary research and therefore, the information is subject to fluctuations due to possible changes in business, industry and economic conditions.

SMITH ZANDER has prepared this IMR Report in an independent and objective manner and has taken adequate care to ensure the accuracy and completeness of the report. We believe that this IMR Report presents a balanced view of the industry within the limitations of, among others, secondary statistics and primary research, and does not purport to be exhaustive. Our research has been conducted with an “overall industry” perspective and may not necessarily reflect the performance of individual companies in this IMR Report. SMITH ZANDER shall not be held responsible for the decisions and/or actions of the readers of this report. This report should also not be considered as a recommendation to buy or not to buy the shares of any company or companies as mentioned in this report.

For and on behalf of SMITH ZANDER:



DENNIS TAN
 MANAGING PARTNER

8. INDUSTRY OVERVIEW (Cont'd)**SMITH ZANDER****COPYRIGHT NOTICE**

No part of this IMR Report may be given, lent, resold, or disclosed to non-customers or any other parties, in any format, either for commercial or non-commercial reasons, without express consent from SMITH ZANDER. Further, no part of this IMR Report may be extracted, reproduced, altered, abridged, adapted, modified, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, for purposes other than the listing of TMK Chemical Bhd on the Main Market of Bursa Malaysia Securities Berhad, without express consent from SMITH ZANDER.

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The research for this IMR Report was completed on 28 October 2024.

For further information, please contact:

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About SMITH ZANDER INTERNATIONAL SDN BHD

SMITH ZANDER is a professional independent market research company based in Kuala Lumpur, Malaysia, offering market research, industry intelligence and strategy consulting solutions. SMITH ZANDER is involved in the preparation of independent market research reports for capital market exercises, including initial public offerings, reverse takeovers, mergers and acquisitions, and other fund-raising and corporate exercises.

Profile of the signing partner, Dennis Tan Tze Wen

Dennis Tan is the Managing Partner of SMITH ZANDER. Dennis Tan has over 26 years of experience in market research and strategy consulting, including over 21 years in independent market research and due diligence studies for capital markets throughout the Asia Pacific region. Dennis Tan has a Bachelor of Science (major in Computer Science and minor in Business Administration) from Memorial University of Newfoundland, Canada.

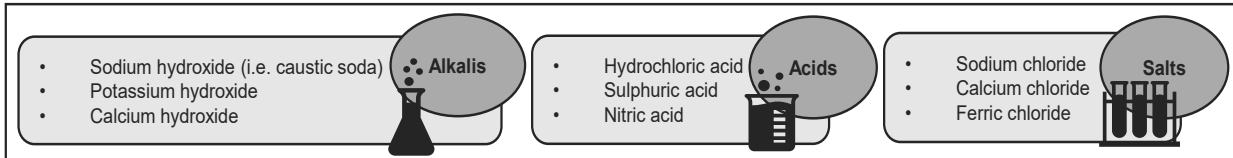
8. INDUSTRY OVERVIEW (Cont'd)



1 THE INORGANIC CHEMICALS INDUSTRY IN MALAYSIA

INDUSTRY PERFORMANCE

The inorganic chemicals industry involves the production and distribution of chemicals which are derived from inorganic compounds. Inorganic compounds are derived from non-living natural resources such as minerals, rocks and metal ores, and are processed into a wide range of chemical products required primarily in the manufacturing sector for various industries. Inorganic chemicals can be divided into alkalis, acids and salts, as follows:



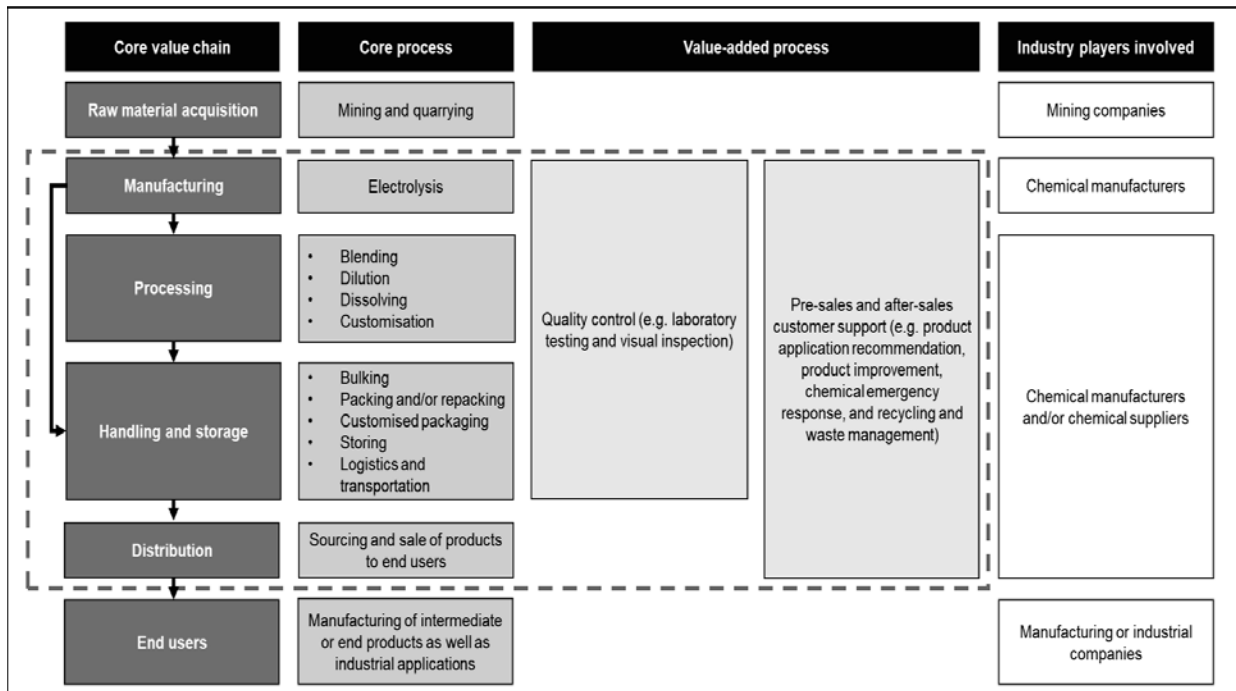
Source: SMITH ZANDER

There are various types of processes used in the manufacturing of inorganic chemicals. Examples of these processes are electrolysis for the production of chlor-alkali products, contact process for the production of sulphuric acid, and Solvay process for the production of sodium carbonate (i.e. soda ash). For chlor-alkali products, electrolysis is the process of producing caustic soda, chlorine gas and hydrogen gas using brine (i.e. salt water which comprises mainly sodium chloride and water). Hydrochloric acid can be produced by dissolving chlorine gas in water.

Inorganic chemicals can be used as raw materials for the production of intermediate products and end products, as well as in industrial applications, with some examples as follows:

- ❖ Caustic soda – Edible oils and fats, chemicals and/or specialty chemicals and electrical and electronic (“E&E”) products.
- ❖ Sulphuric acid – Chemicals and/or specialty chemicals, agrichemical and E&E products.
- ❖ Aluminium sulphate – Utilities, pulp and paper, and chemicals and/or specialty chemicals.

The value chain of the inorganic chemicals industry is as follows:



Notes:

- [Dashed box] denotes the key segments in which TMK Group is principally involved.
- This list is not exhaustive.

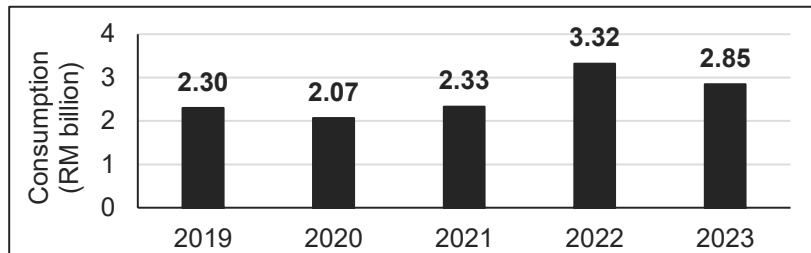
Source: SMITH ZANDER

8. INDUSTRY OVERVIEW (Cont'd)

SMITH ZANDER

The consumption of inorganic chemicals in Malaysia decreased year-on-year (“YOY”) by 10.00% from RM2.30 billion in 2019 to RM2.07 billion in 2020 as a result of lower demand due to the Coronavirus 2019 (“COVID-19”) pandemic outbreak. From 2020 to 2022, the consumption of inorganic chemicals recovered at a compound annual growth rate (“CAGR”) of 26.64% from RM2.07 billion to RM3.32 billion as the demand for inorganic chemicals recovered on the back of economic recovery.

Consumption of inorganic chemicals, Malaysia, 2019 – 2023



Note: The consumption of inorganic chemicals in Malaysia comprises the types of inorganic chemicals that TMK Group sells. However, this may include inorganic chemicals within the same types but of different grades, concentrations and forms that TMK Group does not sell.

Sources: Department of Statistics Malaysia (“DOSM”), United Nations Comtrade (“UN Comtrade”), Companies Commission of Malaysia, SMITH ZANDER

In 2023, the consumption of inorganic chemicals decreased YOY by 14.16% to RM2.85 billion in 2023. This decrease can be attributed to the lower prices as well as lower sales volume of caustic soda, which is one of the major inorganic chemicals, due to normalisation of demand following recovery from the COVID-19 pandemic. Despite the decline, the consumption of inorganic chemicals in 2023 remained higher than pre-pandemic consumption in 2019, indicating the necessity of inorganic chemicals in supporting manufacturing and industrial activities. Moving forward, the growth of the inorganic chemicals industry in Malaysia is expected to be driven by the key industry drivers shown in **Key Demand Drivers**, as follows.

KEY DEMAND DRIVERS

► Inorganic chemicals are essential raw materials in a wide range of manufacturing and industrial applications

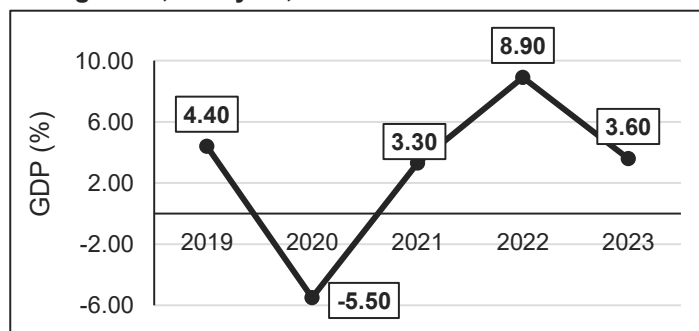
Inorganic chemicals are key components in a wide range of manufacturing and industrial applications across many industries such as chemical products, detergent and disinfectants, E&E products, building materials, for water treatment and waste sanitation, paper products, food and beverage products, renewable energy, agriculture, textile and clothing, as well as automobiles. Inorganic chemicals may serve as raw materials as well as facilitate these manufacturing and industrial applications. As such, these industries rely on inorganic chemicals to manufacture goods or to carry out industrial applications that are necessary to support, improve and enhance modern daily life. Hence, the demand for these goods and industrial applications is expected to drive the demand for inorganic chemicals.

► Economic growth and growth in the manufacturing sector drive the growth of the inorganic chemicals industry

Economic growth fuels the demand for consumer and industrial goods which, in turn, drives the demand for inorganic chemicals.

In 2020, Malaysia’s gross domestic product (“GDP”) decreased by 5.50% due to the outbreak of the COVID-19 pandemic. However, as the pandemic gradually subsided and the economy recovered, GDP rebounded by 3.30% in 2021 and 8.90% in 2022. In 2023, Malaysia’s GDP normalised and grew by 3.60%. Malaysia’s economic growth is further propelled by the Government of Malaysia’s initiatives to drive investments and business expansions in Malaysia, which are set out in Budget 2024 as follows:

GDP growth, Malaysia, 2019 – 2023



Sources: DOSM, SMITH ZANDER

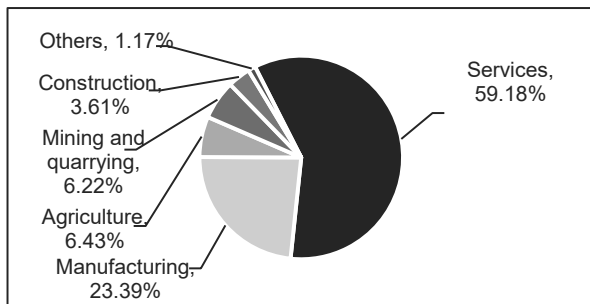
8. INDUSTRY OVERVIEW (Cont'd)

SMITH ZANDER

- The Government of Malaysia has identified Pengerang Integrated Petroleum Complex (“PIPC”) as a development hub for the chemical and petrochemical sector, topped with the introduction of tax incentive packages to attract more investments in this sector which will then contribute to economic growth. For instance, chemical and petrochemical product manufacturing companies operating in PIPC that invest a minimum of RM500 million in qualifying chemical and petrochemical manufacturing activities are eligible for tax rates of either 5% or 10% on qualifying income for a period of up to 10 years, or an Investment Tax Allowance of 60% or 100% for a period of up to 10 years which can be offset against up to 100% of the statutory income for each year of assessment.
- To further spur Malaysia’s position as a preferred destination for foreign investment, the Government of Malaysia intends to establish a high technology industrial area in Kerian, Northern Perak as an effort to expand the ecosystem for the E&E cluster in the Northern Region of Peninsular Malaysia, which currently comprises the industrial areas in Bayan Lepas, Penang and Kulim Hi-Tech Park, Kedah. This is expected to drive business expansions in Malaysia and subsequently, support the growth of the economy.

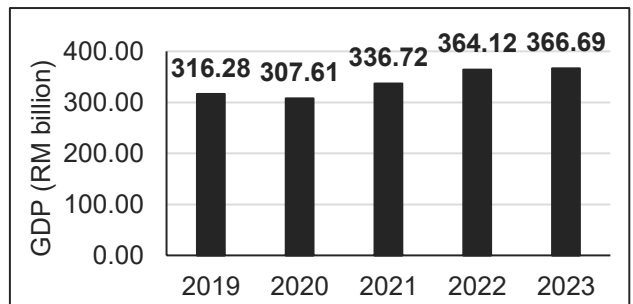
The manufacturing sector is the second largest GDP sector in the Malaysian economy, with a GDP contribution of 23.39% in 2023. The manufacturing sector creates value-added products by transforming raw materials into a wide range of finished goods. As such, the manufacturing sector is pivotal in contributing to the overall productivity of the country. As inorganic chemicals are primarily used as raw materials in the manufacturing sector, the growth in the manufacturing sector drives the demand for inorganic chemicals.

GDP contribution by economic sector, Malaysia, 2023



Sources: DOSM, SMITH ZANDER

GDP of manufacturing sector, Malaysia, 2019 – 2023



Sources: DOSM, SMITH ZANDER

From 2019 to 2020, the manufacturing sector GDP declined YOY by 2.74% from RM316.28 billion to RM307.61 billion due to the outbreak of the COVID-19 pandemic. As the effects of the COVID-19 pandemic gradually subsided, manufacturing sector GDP recovered and grew from RM307.61 billion in 2020 to RM366.69 billion in 2023 at a CAGR of 6.03%.

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8. INDUSTRY OVERVIEW (Cont'd)

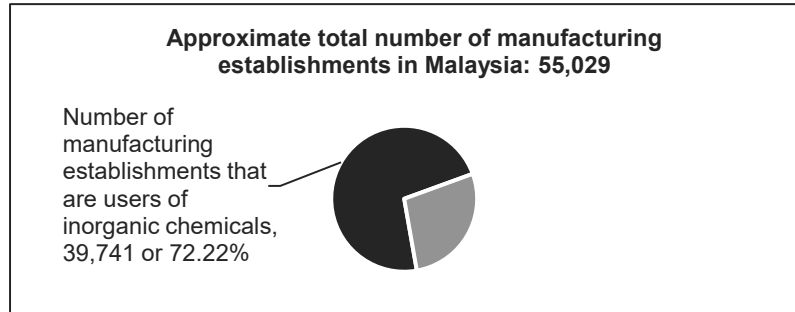
SMITH ZANDER

In 2023, out of a total of approximately 55,029 manufacturing establishments in Malaysia, approximately 39,741, or 72.22%, of these manufacturing establishments are users of inorganic chemicals in their production of goods. The substantial number of manufacturing establishments that use inorganic chemicals attests to the versatility and significance of inorganic chemicals in the manufacturing sector.

Total approved investments for the manufacturing sector, which comprises domestic and foreign investments, increased from RM82.73 billion in 2019 to RM151.97 billion in 2023 at a CAGR of 16.42%. Total approved investments in the manufacturing sector in Malaysia is primarily contributed by foreign investments, which made up 84.52% of total approved investments in 2023, demonstrating the confidence

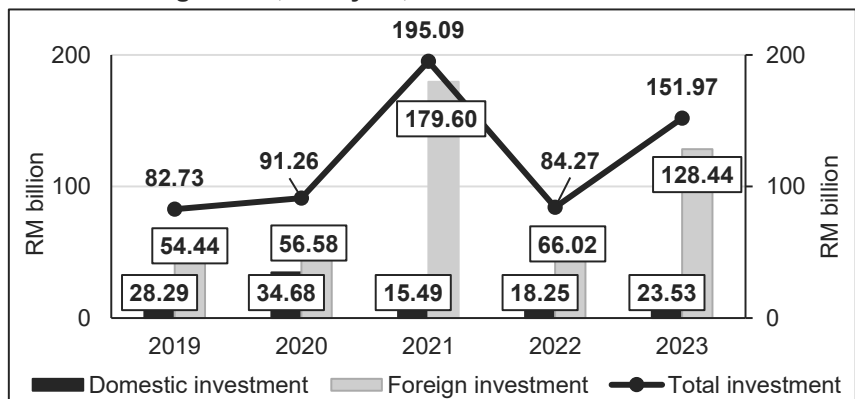
of foreign investors towards Malaysia's manufacturing capabilities. Overall, from 2019 to 2023, foreign investments in the manufacturing sector in Malaysia increased from RM54.44 billion to RM128.44 billion at a CAGR of 23.94%. According to MIDA, in 2023, the top 5 major foreign investments in the manufacturing sector by industry were E&E (RM82.40 billion), machinery and equipment (M&E) (RM17.00 billion), non-metallic mineral products (RM6.30 billion), chemicals and chemical products (RM6.20 billion) and transport equipment (RM5.10 billion).

Number of manufacturing establishments in Malaysia that are users of inorganic chemicals, 2023



Sources: DOSM, SMITH ZANDER

Total approved domestic and foreign investments in the manufacturing sector, Malaysia, 2019 – 2023



Sources: MIDA, SMITH ZANDER

RISKS AND CHALLENGES

► Global economic downturn may negatively impact the demand for inorganic chemicals

The demand for inorganic chemicals is dependent on the demand for manufactured products such as consumer goods, industrial products and construction materials, which is, in turn, dependent on the state of the economy which affects consumer purchasing power.

Adverse economic conditions globally as well as in Malaysia which affect consumer purchasing power may consequently dampen the demand for manufactured products. A growing economy signifies a wealthier population with higher purchasing power to satisfy basic needs or purchase more discretionary consumer goods that can enhance quality of life. Conversely, a decline in economic conditions may lead to loss of businesses and jobs, pay cuts or lower salary growth, increase in unemployment rates, and reduced consumer purchasing power where consumers may be more prudent in making purchases, which may indirectly affect the demand for inorganic chemicals.

► Changes in government regulations which may affect business operations

Companies that are involved in the manufacturing, distribution, storage and handling of inorganic chemicals are required to comply with relevant government regulations. The Environmental Quality Act 1974 was enacted by the Government of Malaysia for the prevention, abatement as well as control of pollution and

8. INDUSTRY OVERVIEW (Cont'd)

SMITH ZANDER

enhancement of the environment. The Department of Environment Malaysia (“DOE”) was subsequently established in 1975 with the objective of enforcing the regulations under the Environmental Quality Act 1974. The DOE is responsible for overseeing a wide range of functions relating to environmental safety including the imports and exports of chemicals in Malaysia.

The storing and handling of inorganic chemicals poses safety and health risks due to the inherently hazardous properties of the chemicals which can be toxic and harmful to human health if not handled or stored properly. As such, the Occupational Safety and Health (Classification, Labelling and Safety Data Sheet of Hazardous Chemicals) Regulations 2013 (“CLASS Regulations”) was gazetted under the Occupational Safety and Health Act 1994 to provide safe and healthy working environment and condition through the mitigation of accident risks by ensuring that suppliers of hazardous chemicals provide sufficient information on the hazards of chemicals supplied. The CLASS Regulations is enforced by the Department of Occupational Safety and Health.

In the event of a sudden change in government regulations on the inorganic chemicals industry, industry players may be unable to comply with these changes on time. As such, their business operations may be adversely impacted which may subsequently affect their financial performance.

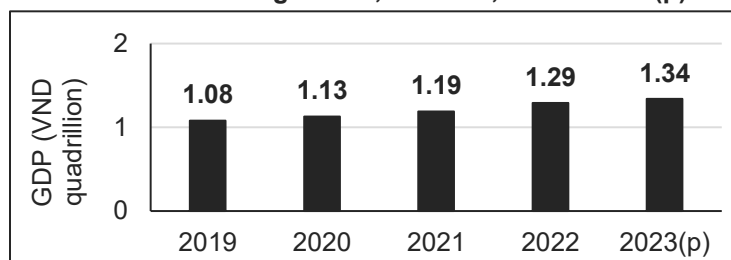
2 THE INORGANIC CHEMICALS INDUSTRY IN VIETNAM AND SINGAPORE

VIETNAM

The Government of Vietnam recognises the importance of the chemicals industry, which includes the inorganic chemicals industry, to spur economic growth, through the approval of Vietnam’s chemical industry development strategy by 2030 with a vision towards 2040, on 16 June 2022. The strategy places emphasis on the development of the sub-branches of the chemical industry such as basic chemicals, petrochemistry, technical rubber, pharmaceutical chemistry and fertiliser. Among the development efforts include investments for the production of basic inorganic chemicals such as caustic soda, sulphate salts, hydrogen peroxide and chlorine-based products, as well as research initiatives to enhance the quality and range of its chemical product offerings, and to ensure sustainability in meeting local demand.

Manufacturing is a key economic activity that drives Vietnam’s economic growth. The GDP of the manufacturing sector grew at a CAGR of 5.54% from VND1.08 quadrillion (RM192.24 billion)¹ in 2019 to VND1.34 quadrillion (RM255.94 billion)¹ in 2023, and contributed 22.98% to the nation’s GDP of VND5.83 quadrillion (RM1.11 trillion) in 2023. As such, the growth of the manufacturing sector is a key contributor to the growth of the inorganic chemicals industry in Vietnam.

GDP of manufacturing sector, Vietnam, 2019 – 2023(p)



Note: (p) – preliminary.

Sources: General Statistics Office of Vietnam, SMITH ZANDER

Based on latest available data, in 2022, the manufacturing of chemicals and chemical products in Vietnam contributed VND607.74 trillion (RM116.08 billion)¹ or 4.40% to the country’s total manufacturing sales value of VND13.81 quadrillion (RM2.64 trillion).²

¹ Exchange rates from VND to RM were converted based on average annual exchange rates of the respective years, extracted from published information from Bank Negara Malaysia (“BNM”).

Year	Exchange rate	Year	Exchange rate	Year	Exchange rate
2019	VND100=RM0.0178	2021	VND100=RM0.0181	2023	VND100=RM0.0191
2020	VND100=RM0.0181	2022	VND100=RM0.0188		

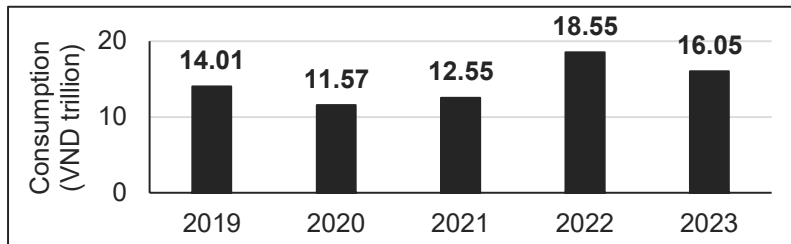
² Source: General Statistics Office of Vietnam.

8. INDUSTRY OVERVIEW (Cont'd)

SMITH ZANDER

The consumption of inorganic chemicals in Vietnam decreased YOY by 17.42% from VND14.01 trillion (RM2.49 billion) in 2019 to VND11.57 trillion (RM2.09 billion)¹ in 2020, attributed to the outbreak of COVID-19 which negatively impacted the demand for inorganic chemicals. Following the subsidence of COVID-19, the consumption of inorganic chemicals recovered at a CAGR of 26.62% from VND11.57 trillion (RM2.09 billion) in 2020 to VND18.55 trillion (RM3.49 billion)¹ in 2022.

Consumption of inorganic chemicals, Vietnam, 2019 – 2023



Note: The consumption of inorganic chemicals in Vietnam comprises the types of inorganic chemicals that TMK Group sells. However, this may include inorganic chemicals within the same types but of different grades, concentrations and forms that TMK Group does not sell.

Sources: General Statistics Office of Vietnam, UN Comtrade, SMITH ZANDER

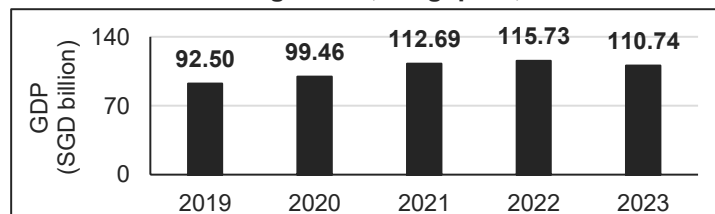
In 2023, consumption for inorganic chemicals in Vietnam saw a YOY decrease of 13.48% to VND16.05 trillion (RM3.07 billion) due to normalisation of demand following the COVID-19 pandemic. Notwithstanding this decline, the consumption for inorganic chemicals in Vietnam in 2023 remained higher than its pre-pandemic levels, indicating the resilience of the inorganic chemicals industry which is driven by applications in a wide range of manufacturing and industrial applications.

SINGAPORE

Singapore has a business-friendly environment for local and foreign businesses, which is an attraction for investments, including for the chemicals industry. In 2023, the manufacturing of chemicals and chemical products was the second largest contributor to Singapore's total manufacturing sales value, at SGD47.75 billion (RM162.26 billion)³, or 12.04%, of the country's total manufacturing sales value of SGD396.63 billion (RM1.35 trillion).⁴ This indicates that the manufacturing of chemicals and chemical products is a prominent industry in Singapore. Various chemical manufacturing companies can be found across Tuas and Jurong Island in Singapore.

The manufacturing sector is a key economic sector in Singapore, contributing 20.81% to the national GDP of SGD532.26 billion (RM1.81 trillion) in 2023. Overall, manufacturing sector GDP grew at a CAGR of 4.60% from SGD92.50 billion (RM280.94 billion)³ in 2019 to SGD110.74 billion (RM376.31 billion) in 2023.

GDP of manufacturing sector, Singapore, 2019 – 2023



Sources: Department of Statistics Singapore, SMITH ZANDER

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³ Exchange rates from SGD to RM were converted based on average annual exchange rates for the respective years, extracted from published information from BNM.

Year	Exchange rate	Year	Exchange rate
2019	SGD1=RM3.0372	2022	SGD1=RM3.1912
2020	SGD1=RM3.0463	2023	SGD1=RM3.3981

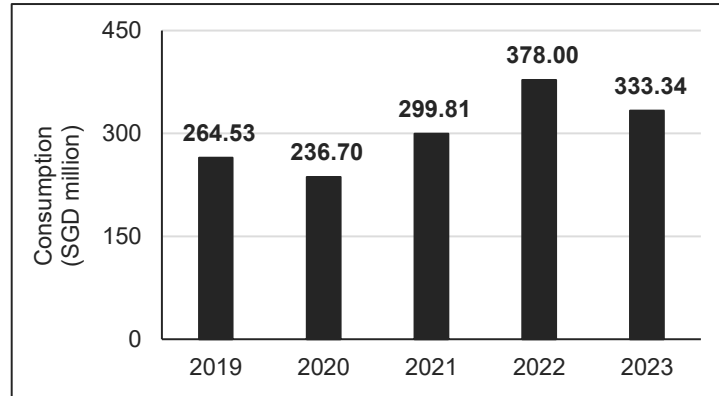
⁴ Source: Department of Statistics Singapore.

8. INDUSTRY OVERVIEW (Cont'd)

SMITH ZANDER

The consumption of inorganic chemicals in Singapore decreased YOY by 10.52% from SGD264.53 million (RM803.43 million) in 2019 to SGD236.70 million (RM721.06 million)³ in 2020 due to the decline in inorganic chemicals demand resulting from the COVID-19 pandemic. Subsequently, the consumption of inorganic chemicals recovered at a CAGR of 26.37% from SGD236.70 million (RM721.06 million) in 2020 to SGD378.00 million (RM1.21 billion)³ in 2022. In 2023, there was a decline in inorganic chemicals consumption by 11.81% to SGD333.34 million (RM1.13 billion) as demand normalised following the COVID-19 pandemic. Nonetheless the inorganic chemicals consumption in 2023 stood higher than its pre-pandemic levels in 2019, demonstrating the importance of inorganic chemicals to manufacturing and industrial activities in Singapore.

Consumption of inorganic chemicals, Singapore, 2019 – 2023



Note: The consumption of inorganic chemicals in Singapore comprises the types of inorganic chemicals that TMK Group sells. However, this may include inorganic chemicals within the same types but of different grades, concentrations and forms that TMK Group does not sell.

Sources: Department of Statistics Singapore, UN Comtrade, SMITH ZANDER

3 COMPETITIVE LANDSCAPE

The inorganic chemicals industry in Malaysia comprises upstream industry players such as manufacturers, as well as downstream industry players involved in trading and distribution including sourcing, processing and distribution. Downstream industry players provide market access to the end-user markets to ensure continuous supply of inorganic chemicals through their network of customers. Hence, manufacturers as well as downstream industry players complement one another in the value chain. Notwithstanding this, manufacturers may also supply their products directly to the end-user markets and as such, downstream industry players may also compete with manufacturers.

As TMK Group is primarily involved in the provision of total chemical management comprising sourcing, processing and distribution of inorganic chemicals and value-added services, as well as the provision of chemical terminal services which encompasses bulk storage services, it competes with both manufacturers and downstream industry players in Malaysia. The barriers to entry in the sourcing, processing and distribution segment of the inorganic chemicals industry are high due to the high initial capital for the setup of facilities, comprising buildings and infrastructure, storage tanks, and processing and packaging equipment, as well as substantial working capital requirements for the on-going purchase of supplies. Further, industry players that sell chemicals in bulk quantity may be required to set up storage terminals in seaports for receiving and storing chemicals directly from ocean vessels.

The basis for selection of the key industry players in Malaysia are as follows:

- Companies that are manufacturers and/or downstream industry players in the inorganic chemicals industry, which sell inorganic chemicals that are similar to the offerings of TMK Group; and
- Companies which recorded more than RM50 million revenue in Malaysia based in their respective latest available financial years.

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8. INDUSTRY OVERVIEW (Cont'd)

SMITH ZANDER

The key industry players in Malaysia, premised on the basis for selection above, are as follows:

Company name	Principal business activities	Examples of inorganic chemicals	Latest available financial year	Total revenue (RM million) ⁽ⁱ⁾	Segmental revenue (RM million) ⁽ⁱⁱ⁾	Gross profit ("GP") (RM million)	GP margin (%)	Profit after tax ("PAT")/ (Loss after tax) ("LAT") (RM million)	PAT/(LAT) margin (%)
TMK Group	Total chemical management comprising sourcing, processing, and distribution of inorganic chemicals and value-added services, as well as the provision of chemical terminal services which encompasses bulk storage services.	Caustic soda, soda ash, sodium chloride, nitric acid, chlorine, sodium sulphate, potassium hydroxide, calcium chloride and sulphur.	31 Dec 2023	1,306.10	708.90	209.88	16.10	91.60	7.00
Kong Long Huat Chemicals Sdn Berhad	Trading of industrial chemicals.	Caustic soda, soda ash, sulphuric acid and nitric acid.	31 Dec 2023	682.02	649.83	128.60	18.86	53.32	7.82
Chemical Company of Malaysia Berhad (a subsidiary of Batu Kawan Berhad) ⁽ⁱⁱⁱ⁾	Manufacturing, marketing and trading of chemicals, blending bulk emulsions, trading blasting products, as well as provision of blasting related services and technology to the mining, quarrying and construction industries.	Caustic soda, chlorine, and hydrochloric acid.	30 Sept 2023	443.43	343.03	87.29	19.69	50.36	11.36

8. INDUSTRY OVERVIEW (Cont'd)

SMITH ZANDER

Company name	Principal business activities	Examples of inorganic chemicals	Latest available financial year	Total revenue (RM million) ⁽ⁱ⁾	Segmental revenue (RM million) ⁽ⁱⁱ⁾	Gross profit ("GP") (RM million)	GP margin (%)	Profit after tax ("PAT")/ (Loss after tax) ("LAT") (RM million)	PAT/(LAT) margin (%)
Malay-Sino Chemical Industries Sendirian Berhad (a subsidiary of Batu Kawan Berhad) ⁽ⁱⁱⁱ⁾	Manufacturing and trading of caustic soda, hydrochloric acid, liquid chlorine and its by-products and other chemical products.	Caustic soda, hydrochloric acid and chlorine.	30 Sept 2023	382.82	N/A ^(iv)	110.73	28.92	71.33	18.63
SPCI Helm Malaysia Sdn Bhd	Manufacturing and trading in chemicals and packaging service for fertilisers and chemicals.	Soda ash, sulphuric acid and aluminium sulphate.	31 Dec 2023	232.21	N/A ^(iv)	32.89	14.16	(0.42)	(0.18)
See Sen Chemical Berhad (a subsidiary of Batu Kawan Berhad) ⁽ⁱⁱⁱ⁾	Manufacturing and trading of sulphuric acid and its by-products and other chemical products.	Sulphuric acid, sulphur derivatives and sodium silicate.	30 Sept 2023	82.90	N/A ^(iv)	6.12	7.38	2.01	2.42

Notes:

- Latest available information as at 28 October 2024.
- N/A – Not Available

(i) The total revenue of the key industry players may comprise revenue generated in Malaysia and overseas, and the total revenue is generated from within the value chain by manufacturers and distributors. However, the industry size of the inorganic chemicals industry is represented by net consumption in Malaysia. As such, the total revenue of the key industry players will not necessarily tally with the inorganic chemicals industry size in Malaysia.

(ii) Refers to revenue generated in Malaysia.

(iii) Batu Kawan Berhad is listed on the Main Market of Bursa Malaysia Berhad.

(iv) The segmental revenue in Malaysia is not publicly available.

Sources: TMK Group, various company websites, Companies Commission of Malaysia, SMITH ZANDER

Among the list of key industry players, TMK Group is the leading industry player in the inorganic chemicals industry in Malaysia, based on the revenues in the respective latest available financial year of each key industry player.

As TMK Group also has business operations in Vietnam and Singapore, the examples of key industry players in Vietnam and Singapore are shown as follows:

8. INDUSTRY OVERVIEW (Cont'd)

SMITH ZANDER

Vietnam

Company name	Principal business activities	Examples of inorganic chemicals	Latest available financial year	Total revenue ⁽ⁱ⁾	Segmental revenue in Vietnam ⁽ⁱⁱ⁾	GP	GP margin (%)	PAT/(LAT)	PAT/(LAT) margin (%)
TMK Group	Total chemical management comprising sourcing, processing, and distribution of inorganic chemicals and value-added services, as well as the provision of chemical terminal services which encompasses bulk storage services.	Caustic soda, soda ash, sodium chloride, nitric acid, chlorine, sodium sulphate, potassium hydroxide, calcium chloride and sulphur.	31 Dec 2023	RM1.31 billion	RM278.25 million	RM209.88 million ⁽ⁱⁱⁱ⁾	16.10 ⁽ⁱⁱⁱ⁾	RM91.60 million ⁽ⁱⁱⁱ⁾	7.00 ⁽ⁱⁱⁱ⁾
Brenntag Vietnam Co., Ltd. (a subsidiary of Brenntag SE) ^(iv)	Trading of chemicals and ingredients products.	Caustic soda, calcium carbonate and hydrochloric acid.	31 Dec 2023	VND6.27 trillion (RM1.20 billion) ^(v)	N/A ^(vi)	VND1.12 trillion (RM214.33 million) ^(v)	17.86	VND325.18 billion (RM62.11 million) ^(v)	5.19
Manuchar Vietnam Co. Ltd. (a subsidiary of Manuchar nv) ^(vii)	Importing and trading of inorganic chemicals.	Caustic soda, potassium hydroxide and hydrochloric acid.	31 Dec 2023	VND837.88 billion (RM160.04 million) ^(v)	N/A ^(vi)	VND74.08 billion (RM14.15 million) ^(v)	8.84	(VND11.09 billion) ((RM2.12 million)) ^(v)	(1.32)
Dong A Joint Stock Company	Manufacturing of industrial chemicals.	Caustic soda, chlorine and hydrochloric acid.	31 Dec 2023	VND508.23 billion (RM97.07 million) ^(v)	N/A ^(vi)	VND113.82 billion (RM21.74 million) ^(v)	22.40	VND13.10 billion (RM2.50 million) ^(v)	2.58

8. INDUSTRY OVERVIEW (Cont'd)

SMITH ZANDER

Notes:

- Latest available information as at 28 October 2024.
 - N/A – Not Available
- (i) The total revenue of the key industry players may comprise revenue generated in Vietnam and overseas, and the total revenue is generated from within the value chain by manufacturers and distributors. However, the industry size of the inorganic chemicals industry in Vietnam is represented by net consumption in Vietnam. As such, the total revenue of the key industry players in Vietnam will not necessarily tally with the inorganic chemicals industry size in Vietnam.
- (ii) Refers to revenue generated in Vietnam.
- (iii) This figure is reported at group level.
- (iv) Brenntag SE, a company incorporated in Germany, is listed in the Prime Standard segment of Frankfurt Stock Exchange. Brenntag SE and its group of companies are principally involved in the distribution of chemicals and ingredients.
- (v) Exchange rate from VND to RM for the latest available financial year for 31 December 2023 was converted based on the average annual exchange rate in 2023, extracted from published information from BNM at VND100 = RM0.0191.
- (vi) The total revenue is reported at company level. Segmental revenue in Vietnam is not publicly available.
- (vii) Manuchar nv, a private company incorporated in Belgium, is principally involved in the distribution of chemicals and trading of steel and polymers, as well as other raw materials such as cement and cementitious materials, pulp and paper, and wood.

Sources: TMK Group, various company websites, Vietnam Data Bank Co., Ltd, SMITH ZANDER

Singapore

Company name	Principal business activities	Examples of inorganic chemicals	Latest available financial year	Total revenue ⁽ⁱ⁾	Segmental revenue in Singapore ⁽ⁱⁱ⁾	GP	GP margin (%)	PAT/(LAT)	PAT/(LAT) margin (%)
TMK Group	Total chemical management comprising sourcing, processing, and distribution of inorganic chemicals and value-added services, as well as the provision of chemical terminal services which encompasses bulk storage services.	Caustic soda, soda ash, sodium chloride, nitric acid, chlorine, sodium sulphate, potassium hydroxide, calcium chloride and sulphur.	31 Dec 2023	RM1.31 billion	RM271.59 million	RM209.88 million ⁽ⁱⁱⁱ⁾	16.10 ⁽ⁱⁱⁱ⁾	RM91.60 million ⁽ⁱⁱⁱ⁾	7.00 ⁽ⁱⁱⁱ⁾

8. INDUSTRY OVERVIEW (Cont'd)

SMITH ZANDER

Company name	Principal business activities	Examples of inorganic chemicals	Latest available financial year	Total revenue ⁽ⁱ⁾	Segmental revenue in Singapore ⁽ⁱⁱ⁾	GP	GP margin (%)	PAT/(LAT)	PAT/(LAT) margin (%)
Brenntag Pte Ltd (a subsidiary of Brenntag SE) ^(iv)	Trading of chemical products and other related raw materials for the manufacturing industry.	Caustic soda, calcium hydroxide and phosphoric acid.	31 Dec 2023	SGD322.23 million (RM1.09 billion) ^(v)	N/A ^(vi)	SGD34.72 million (RM117.98 million) ^(v)	10.77	SGD65.66 million (RM223.12 million) ^{(v),(vii)}	20.38
Megachem Limited ^(viii)	Trading of chemicals and chemical-related products.	Sulphate, phosphate and fluorine compound.	31 Dec 2023	SGD123.01 million (RM418.00 million) ^(v)	SGD51.36 million (RM174.53 million) ^(v)	SGD22.50 million (RM76.46 million) ^(v)	18.29	(SGD5.80 million)((RM19.71 million)) ^(v)	(4.72)
Chemical Industries (Far East) Limited ^(ix)	Manufacture and sale of chemicals.	Caustic soda, chlorine and hydrochloric acid.	31 Mar 2024	SGD72.58 million (RM250.70 million) ^(x)	SGD70.76 million (RM244.41 million) ^(x)	SGD5.71 million (RM19.72 million) ^(x)	7.87	SGD5.15 million (RM17.79 million) ^(x)	7.10

Notes:

- Latest available information as at 28 October 2024.
 - N/A – Not Available
- (i) The total revenue of the key industry players may comprise revenue generated in Singapore and overseas, and the total revenue is generated from within the value chain by manufacturers and distributors. However, the industry size of the inorganic chemicals industry in Singapore is represented by net consumption in Singapore. As such, the total revenue of the key industry players in Singapore will not necessarily tally with the inorganic chemicals industry size in Singapore.
- (ii) Refers to revenue generated in Singapore.
- (iii) This figure is reported at group level.
- (iv) Brenntag SE, a company incorporated in Germany, is listed in the Prime Standard segment of Frankfurt Stock Exchange. Brenntag SE and its group of companies are principally involved in the distribution of chemicals and ingredients.
- (v) Exchange rate from SGD to RM for the latest available financial year for 31 December 2023 was converted based on the average annual exchange rate in 2023, extracted from published information from BNM at SGD1 = RM3.3981.
- (vi) The total revenue is reported at company level. The segmental revenue in Singapore is not publicly available.
- (vii) Includes other income and other gains amounting to SGD58.24 million (RM197.91 million).
- (viii) Listed on the Catalist of Singapore Exchange Securities Trading Limited.
- (ix) Listed on the Mainboard of Singapore Exchange Securities Trading Limited.
- (x) Exchange rate from SGD to RM for the latest available financial year for 31 March 2024 was converted based on the average annual exchange rate for 1 April 2023 to 31 March 2024, extracted from published information from BNM at SGD1 = RM3.4541.

Sources: Accounting and Corporate Regulatory Authority, TMK Group, various company websites, SMITH ZANDER

8. INDUSTRY OVERVIEW (Cont'd)

SMITH ZANDER

MARKET SHARE

In 2023, the consumption of inorganic chemicals in Malaysia was recorded at RM2.85 billion. For the financial year ended 2023, the revenue for TMK Group derived from segmental revenue in Malaysia was recorded at RM708.90 million, and thereby TMK Group captured a market share of 24.91% in the inorganic chemicals market in Malaysia in 2023.

Market share in Malaysia



Sources: TMK Group, SMITH ZANDER

In 2023, the consumption of inorganic chemicals in Vietnam was recorded at VND16.05 trillion (RM3.07 billion). For the financial year ended 2023, the revenue for TMK Group derived from segmental revenue in Vietnam was recorded at RM278.25 million, and thereby TMK Group captured a market share of 9.08% in the inorganic chemicals market in Vietnam in 2023.

Market share in Vietnam



Sources: TMK Group, SMITH ZANDER

In 2023, the consumption of inorganic chemicals in Singapore was recorded at SGD333.34 million (RM1.13 billion). For the financial year ended 2023, the revenue for TMK Group derived from segmental revenue in Singapore was recorded at RM271.59 million, and thereby TMK Group captured a market share of 23.98% in the inorganic chemicals market in Singapore in 2023.

Market share in Singapore



Sources: TMK Group, SMITH ZANDER

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9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

9.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

9.1.1 Profiles of our Promoters and substantial shareholders

(i) Dato' Lee Soon Hian as our Promoter and substantial shareholder

Dato' Lee Soon Hian, a Malaysian aged 67, is our Promoter and substantial shareholder.

He began his career in 1979 when he joined his family's property development business and was appointed director of Perumahan Selesa Sdn Bhd. He subsequently ventured into his family's diversified businesses in manufacturing, chemical and plantation sectors as well as management business, as summarised below:

- in 1981, he was appointed director of Taiko Management Sdn Bhd, a management company and he was later re-designated as its Managing Director between 1989 and 2006;
- between 1986 and 1999, he was appointed director of Atlas Industries Sdn Bhd which is principally involved in manufacturing bituminous products;
- in 1989, he together with his brother, Dato' Lee Hau Hian co-founded TMK. Dato' Lee Soon Hian was our Managing Director between 1993 and 1999;
- in 1997, he was appointed director of Taiko Clay Chemicals Sdn Bhd, a holding company with investments in the manufacture and sale of sulphuric acid and sulphur derivatives, water treatment chemicals and activated bleaching earth; and
- in 2004, he was appointed Managing Director of Malay Rubber Plantations (Malaysia) Sdn Bhd, an investment and plantation company.

Between 1997 and 1999, he was a director of several of the property development subsidiaries of Kuala Lumpur Kepong Berhad ("**KLK**"), a public company listed on the Main Market of Bursa Securities which was then also listed on the London Stock Exchange. Between 1998 and 2004, he was an Executive Director of KLK. KLK then had its core business in plantations and was principally involved in the business of producing and processing palm, and natural rubber with subsidiaries and associates involved in the business of plantation, manufacturing, retailing, property development and investment holding. During his tenure with KLK, he was the director of the property division and the Executive Director managing Crabtree & Evelyn, Ltd., in charge of KLK's retail business.

After his resignation as Executive Director of KLK in 2004, he rejoined us as our Director and Chairman. He acquired Dato' Lee Hau Hian's Shares in 2006 and continued to drive our Group's growth by expanding our customer base. He retired on 7 October 2023, having groomed and equipped the next generation of management to take over the reins of our Company. Today, his involvement in our Company is solely as a controlling shareholder and he is not involved in the day-to-day operations and management of our Company.

Aside from his family relationships as set out in Section 9.4 of this Prospectus, he is also the father of our shareholders, Lee Hong Zhang, Lee Sen Zhang and Lee Tian Zhang.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

(ii) Leong Chao Seong as our Promoter and substantial shareholder

Leong Chao Seong, a Malaysian, is our Non-Independent Executive Director, Deputy Chairman and substantial shareholder. Details of his profile are set out in Section 9.2.1(i) of this Prospectus. For details of Leong Chao Seong's family relationship with our other substantial shareholders, Promoters, Directors and Key Senior Management, see Section 9.4 of this Prospectus

(iii) Wong Kin Wah as our Promoter and substantial shareholder

Wong Kin Wah, a Malaysian, is our Non-Independent Executive Director, Managing Director and substantial shareholder. Details of his profile are set out in Section 9.2.1(ii) of this Prospectus.

(iv) Lee Oi Loon as our substantial shareholder

Lee Oi Loon, a Malaysian, is our substantial shareholder. For details of Lee Oi Loon's family relationship with our other substantial shareholders, Promoters, Directors and Key Senior Management, see Section 9.4 of this Prospectus.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.1.2 Shareholding of our Promoters and substantial shareholders

The following table sets out the direct and indirect shareholdings of our Promoters and substantial shareholders before and after our IPO:

Name/ Nationality	Before IPO ⁽¹⁾				After IPO ⁽²⁾			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
	('000)		('000)			('000)		
Promoters and substantial shareholders								
Dato' Lee Soon Hian / Malaysian	395,041	50.6	-	-	395,041	39.5	-	-
Leong Chao Seong / Malaysian	94,813	12.2	21,000	⁽³⁾ 2.7	94,883	⁽⁴⁾ 9.5	21,040	^{(3) (4)} 2.1
Wong Kin Wah / Malaysian	46,384	5.9	-	-	46,454	⁽⁴⁾ 4.6	-	-
Substantial shareholder								
Lee Oi Loon / Malaysian	64,774	8.3	-	-	64,774	6.5	-	-

Notes:

- (1) Based on 780,000,000 Shares in issue after the Subdivision.
- (2) Based on the enlarged issued Shares of 1,000,000,000 upon our Listing.
- (3) Deemed interested by virtue of the shareholdings of his spouse, Chung Yook Chee and children, Leong Xiao Rui and Leong Xiao Lung in our Company, applying Section 59(11)(c) of the Act.
- (4) Assuming that their respective entitlements under the Pink Form Allocations are fully subscribed.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.1.3 Changes in our Promoters, substantial shareholders' shareholdings in our Company for the past three years

Save as disclosed below, there has been no change in our Promoters' and substantial shareholders' shareholdings in our Company for the past three years preceding the LPD:

Name	As at 31 December 2021				As at 31 December 2022			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. Shares	%
	('000)		('000)			('000)	('000)	
Dato' Lee Soon Hian	32,004	69.3	-	-	32,004	69.3	-	-
Leong Chao Seong	6,552	14.2	-	-	6,552	14.2	-	-
Wong Kin Wah	2,772	6.0	-	-	2,772	6.0	-	-
Lee Oi Loon	3,948	8.5	-	-	3,948	8.5	-	-

Name	As at 31 December 2023				As at the LPD ⁽²⁾			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. Shares	%
	('000)					('000)	('000)	
Dato' Lee Soon Hian	32,004	69.3	-	-	395,041	50.6	-	-
Leong Chao Seong	4,313	9.3	2,239	⁽¹⁾ 4.8	94,813	12.2	21,000	⁽¹⁾ 2.7
Wong Kin Wah	2,772	6.0	-	-	46,384	5.9	-	-
Lee Oi Loon	3,948	8.5	-	-	64,774	8.3	-	-

Note:

- (1) Deemed interested by virtue of the shareholdings of his spouse, Chung Yook Chee and children, Leong Xiao Rui and Leong Xiao Lung in our Company, applying Section 59(11)(c) of the Act.
- (2) Based on 780,000,000 Shares in issue after the Subdivision.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.2 BOARD OF DIRECTORS

Our Board acknowledges and takes cognisance of the MCCG which contains recommendations to improve upon or to enhance corporate governance as an integral part of the business activities and culture of such companies.

Our Board believes that our current Board composition provides the appropriate balance in terms of skills, knowledge and experience to promote the interests of all shareholders and to govern our Group effectively. Our Board is also committed to achieving and sustaining high standards of corporate governance.

Our Company has adopted the recommendations under the MCCG that our Board comprises at least 30% women Directors, half of our Board comprises Independent Directors and our Chairman should not be a member of the Audit and Risk Committee and the Nomination and Remuneration Committee.

Within the limits set by our Constitution, our Board is responsible for the governance and management of our Group. To ensure the effective discharge of its functions, our Board has set out the following key responsibilities in our board charter:

- (i) together with senior management of our Company ("**Management**"), promote good corporate governance culture within our Group which reinforces ethical, prudent and professional behaviour;
- (ii) review, challenge and decide on our Management's proposal for our Company, and monitor its implementation by our Management;
- (iii) ensure the strategic plan of our Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- (iv) supervise and assess our Management's performance to determine whether our business is properly managed;
- (v) identify principal risks and ensure the implementation of appropriate internal controls, risk management and mitigation measures;
- (vi) ensure proper succession planning taking into consideration the necessary skills and experience, training, fixing the compensation of and where appropriate, replace Board members and Key Senior Management to ensure our Company has effective Board committees and Key Senior Management as required by the applicable laws and regulations;
- (vii) oversee the development and implementation of a stakeholder communications policy for our Group;
- (viii) review the adequacy and the integrity of the management information and internal control systems of our Group including systems / reporting framework for compliance with applicable laws, regulations, rules, directives and guidelines;
- (ix) ensure compliance with the ethical standards as set out in our Code of Conduct and Ethics and the effectiveness of our whistle-blowing policy;
- (x) ensure that we have appropriate corporate disclosure policies and procedures to ensure comprehensive, accurate and timely disclosures;

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

- (xi) monitor and review policies and procedures relating to occupational health and safety and compliance with relevant laws and regulations; and
- (xii) ensure the integrity of our financial and non-financial reporting.

In addition, the roles and responsibilities of our Chairman and Managing Director are clearly segregated to further enhance and preserve a balance of authority and accountability. Our Chairman is primarily responsible for the following:

- (i) instilling good corporate governance practices, leadership and effectiveness of our Board;
- (ii) leading our Board in its collective oversight of our Management;
- (iii) acting as a chief spokesperson and representative of our Board and ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to our Board as a whole;
- (iv) setting our Board meeting agenda and ensuring adequate time is allocated for discussion of issues tabled to our Board for deliberation as well as ensuring that our Board committee meetings are conducted separately from our Board meetings;
- (v) leading our Board meetings and ensuring that all Directors are enabled and encouraged to participate at our Board meetings as well as allowing dissenting view to be freely expressed. This includes ensuring that all relevant issues are on the agenda and that all Directors receive timely and relevant information tailored to their needs and that they are properly briefed on issues arising at our Board meetings;
- (vi) promoting consultative and respectful relations between our Board members and between our Board and Management;
- (vii) guiding and mediating our Board actions with respect to organizational priorities and governance concerns;
- (viii) performing other responsibilities assigned by our Board from time to time; and
- (ix) ensuring that our Executive Directors look beyond their executive functions and accept their full share of responsibilities on governance.

On the other hand, our Managing Director is primarily responsible for, among others, the following:

- (i) implementing the policies and strategies approved by our Board for the purposes of running the business and the day-to-day management of our Group;
- (ii) executive management of our Group's business covering, among others, the development of a strategic plan; an annual operating plan and budget; performance benchmarks to gauge management performance and the analysis of management reports;
- (iii) developing and managing all aspects of the business and operations of our Group, ensuring that it is run efficiently and effectively and in accordance with the strategic decisions of our Board.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

The details of the members of our Board and 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 as at the LPD are as follows:

Director	Designation	Age	Nationality	Date of appointment	Date of expiration of the current term of office at AGM	No. of years and months in office
Johan Ariffin Bin Rozali Wathooth	Independent Non-Executive Chairman	45	Malaysian	6 October 2023	Subject to retirement by rotation at our AGM in 2025	1 year
Leong Chao Seong	Non-Independent Executive Director and Deputy Chairman	62	Malaysian	25 May 1999	Subject to retirement by rotation at our AGM in 2025	25 years 5 months
Wong Kin Wah	Non-Independent Executive Director and Managing Director	53	Malaysian	11 January 2008	Subject to retirement by rotation at our AGM in 2027	16 years 9 months
Lee Yan Ling	Non-Independent Non-Executive Director	30	Malaysian	6 October 2023	Subject to retirement by rotation at our AGM in 2026	1 year
Datin Paduka Kartini Binti Hj Abdul Manaf	Independent Non-Executive Director	63	Malaysian	6 October 2023	Subject to retirement by rotation at our AGM in 2026	1 year
Liew Li Ping	Independent Non-Executive Director	54	Malaysian	6 October 2023	Subject to retirement by rotation at our AGM in 2027	1 year

None of our Directors represent any shareholder on our Board save for Lee Yan Ling who is the representative of Dato' Lee Soon Hian on our Board. Further, there are no family relationships between our Directors. For details on the associations and family relationships between our Promoters, substantial shareholders, Directors and Key Senior Management, see Section 9.4 of this Prospectus.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.2.1 Profiles of our Directors

(i) Johan Ariffin Bin Rozali Wathooth

Johan Ariffin Bin Rozali Wathooth, a Malaysian aged 45, is our Independent Non-Executive Chairman. He was appointed to our Board on 6 October 2023.

He obtained his Bachelor of Science (Honours) in Economics from the London School of Economics and Political Science, University of London (“**LSE**”) in 2001. He also obtained his professional accountancy certificate from the Institute of Chartered Accountants in England & Wales (“**ICAEW**”) in 2003 and was admitted as a Fellow of the ICAEW in 2016. He has been a Chartered Financial Analyst since 2007.

Subsequent to his graduation from the LSE, he spent over ten years working in London commencing his career in 2001 as an Analyst at Arthur Andersen LLP’s Corporate Restructuring Division, continuing with Ernst & Young LLP following the absorption of the division in 2002, where he served as an Associate until 2004.

Between 2004 and 2010, he joined various global alternative investment houses in the United Kingdom including Babson Capital Europe Ltd (*now known as Barings* (U.K.) Limited where he was an Investment Executive between 2004 and 2007, Highland Capital Management LP as a Portfolio Manager between 2007 and 2009 and H.I.G European Capital Partners LLP as a Credit Analyst between 2009 and 2010.

He returned to Malaysia in 2010 and joined HSBC Bank Malaysia Berhad as a Director of its Strategic Client Advisory department until 2011. He joined Affin Hwang Investment Bank Berhad in 2012, where he served as Group Chief Strategy Officer until 2016. He was appointed and has been serving as Deputy Managing Director of AHAM Asset Management Berhad (*formerly known as Affin Hwang Asset Management Berhad*) (“**AHAM Capital**”) since 2016.

Additionally, he is also the Chief Executive Officer and Executive Director of Bintang Capital Partners Berhad (“**Bintang Capital**”), the private equity arm of AHAM Capital which he founded in 2018 and co-owns with AHAM Capital.

He currently serves on the boards of several companies, including Bintang Capital’s investee companies which are primarily investment holding companies and portfolio companies as disclosed in Section 9.2.3 of this Prospectus.

(ii) Leong Chao Seong

Leong Chao Seong, a Malaysian aged 62, is our Non-Independent Executive Director and Deputy Chairman. He was appointed to our Board on 25 May 1999. He has served our Group for over 33 years in the various roles he held, primarily in various senior management roles, overseeing among others, the strategic direction of our Group.

He obtained a Bachelor of Science (Honours) in Management Sciences from LSE in 1983.

He began his career in 1983 as a graduate trainee at Public Finance Berhad and he was a Senior Operation Officer when left in 1989 to join our Company.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

He was one of our pioneer staff when he joined us as a Branch Manager in 1989, responsible for sales, business development and marketing activities. He was promoted to General Manager in 1994, responsible for monitoring the latest development and challenges faced by the chemical industry and developing our Group's market strategy. In 2000, he was overseeing the business operations of our Group as General Manager and Director. Subsequently, he was promoted to Managing Director in 2001, responsible for overseeing the management and business operations of our Group. During his tenure as our Managing Director he had acquired our Shares in 2001. Under his stewardship, our Group had expanded operationally and financially. Between 2001 and 2019 he was our Managing Director until his promotion as our Deputy Chairman in 2019 where he continues to be responsible for the formulation of overall strategies of our Group.

He currently serves on the boards of various subsidiaries of our Group and several other private limited companies as disclosed in Section 9.2.3 of this Prospectus.

(iii) Wong Kin Wah

Wong Kin Wah, a Malaysian aged 53, is our Non-Independent Executive Director and Managing Director. He was appointed to our Board on 11 January 2008.

He obtained a Bachelor of Business (Honours) from the Nanyang Technological University, Singapore in 1993.

He began his career with Sumitomo Corporation (Singapore) Pte Ltd as a sales executive trading in inorganic chemicals between 1993 until 1996 when he left to join our Company as our sales executive.

He has served our Group for over 27 years in the various roles he held, primarily in various senior management roles. He was promoted to Product Manager in 1997, responsible for identifying, exploring and developing new business opportunities for our Group's product. Subsequently, he was promoted to Senior Marketing Manager in 2002 and re-designated as General Manager of Business Development, in 2003, responsible for sale of chemicals and ensuring the achievement of sales targets and profits. Between 2009 and 2019, he was appointed as Executive Director of our Business Development division, responsible for monitoring the latest development and challenges faced within the chemical industry and developing our Group's market strategies. He acquired our Shares in 2010. In 2019, he was promoted as our Managing Director and is responsible for playing a key pivotal role in our Group's corporate management, key operational matters, marketing and development as well as overseeing and being involved in the day-to day operations of our Group.

He currently serves on the boards of various subsidiaries of our Group and several other private limited companies as disclosed in Section 9.2.3 of this Prospectus.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

(iv) Lee Yan Ling

Lee Yan Ling, a Malaysian aged 30, is our Non-Independent Non-Executive Director. She was appointed to our Board on 6 October 2023.

She obtained her Bachelor of Commerce from the University of Adelaide, Australia in 2018.

She began her career in Singapore when she joined Chlor-Al in 2018 where she was responsible for handling Chlor-Al's key customers' accounts until 2020. She was also appointed and has served as director of Chlor-Al since 2018.

She joined Sleek Tech Pte Ltd. in 2021, a business management consultancy company, where as an Account Executive, she was responsible for acquiring and managing clients' accounts by assisting entrepreneur, small medium enterprise and investor clients in the setting up and management of their companies in Singapore. She was subsequently promoted to Senior Account Executive until 2023 when she left to join Benningham Investment Holdings Pte Ltd ("**Benningham**"). She joined Benningham, an investment and property holding company in 2023 as Managing Director, responsible for overseeing and optimising the company's business portfolio. She left Benningham in October 2024 to join Crestline Capital Pte Ltd, an investment management consultancy firm where she is director and Investment Strategist, responsible for overseeing and managing investment portfolios.

She is the daughter of our Promoter and substantial shareholder, Dato' Lee Soon Hian, and sister of our shareholders, Lee Hong Zhang, Lee Sen Zhang and Lee Tian Zhang. For details of her family relationship with our other substantial shareholder, see Section 9.4 of this Prospectus.

She currently serves on the boards of several companies as disclosed in Section 9.2.3 of this Prospectus.

(v) Datin Paduka Kartini Binti Hj Abdul Manaf

Datin Paduka Kartini Binti Hj Abdul Manaf, a Malaysian aged 63, is our Independent Non-Executive Director. She was appointed to our Board on 6 October 2023.

She obtained a Diploma in Banking Studies from Institut Teknologi Mara, Malaysia (the predecessor of Universiti Teknologi Mara ("**UiTM**")) in 1983, a Bachelor of Business Administration and a Master of Business Administration from The Ohio University, U.S. respectively in 1990 and 1995. Currently, she is a fellow member of the Institute of Corporate Directors Malaysia.

She began her career in 1983 with Permodalan Nasional Berhad ("**PNB**") as a management trainee until her retirement in 2019 as PNB's Deputy President of Strategic Investments. In her more than 30 years at PNB, she had served PNB in various capacities and had been involved in various aspects of investment management and corporate finance, including mergers and acquisitions, corporate restructuring, portfolio management, property investment as well as business development. She had held several other key positions at PNB including as Senior Vice-President of the Office of President and Chief Executive Officer ("**PGCEO**"), Chief Strategy Officer of the Office of PGCEO. She sat on the boards of several investee companies as PNB's representative which she had subsequently resigned from, following her retirement from PNB as disclosed in Section 9.2.3 of this Prospectus.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

She received awards for meritorious service in PNB including the Kesatria Mangku Negara in 2005 from DYMM Yang Di Pertuan Agong and Darjah Kebesaran Dato' Sultan Sharafuddin Idris Shah (D.S.I.S) in 2011.

Between 2017 and 2020, she was appointed to serve on the board of Universiti Malaysia Kelantan. In 2021, she was appointed and currently serves on the board of Lembaga Tabung Haji ("**LTH**"), a statutory body with main activities in hajj pilgrimage management, depository services and investment. At present, she represents LTH as its nominee director for several of LTH's investee companies as disclosed in Section 9.2.3 of this Prospectus.

She currently serves on the board of Duopharma Biotech Berhad, a public company listed on the Main Market of Bursa Securities.

(vi) **Liew Li Ping**

Liew Li Ping, a Malaysian aged 54, is our Independent Non-Executive Director. She was appointed to our Board on 6 October 2023.

She was admitted as an associate member of Association of Chartered Certified Accountants ("**ACCA**") in 1994 and became a Fellow member of ACCA in 1999. She has been a member of MIA since 1995.

She began her career in 1992 as an audit assistant at KPMG Peat Marwick (*now known as KPMG PLT*) ("**KPMG**"). She progressed within KPMG holding the positions as Audit Manager and Audit Senior Manager where she was responsible for conducting statutory audit works on companies across various industries, managed client portfolios, provided advice relating to audit and accounting matters. In 2001, she took a career break, later returning to KPMG as a Training and Technical Consultant in 2005. In this role, she was responsible for training and upgrading KPMG's staff in Ipoh on technical accounting, legal, financial reporting standards requirements. After another career break from 2009 to October 2010, she assumed the role of KPMG's Ipoh Branch Director in November 2010, where she oversaw the operations for audit, tax and administration functions. Concurrently, she served as the Audit Director for audit engagements. She was promoted to Audit Executive Director of KPMG in 2015, a position she held until her retirement in 2022.

During her tenure of more than 23 years at KPMG, she garnered extensive experience in audit and special engagements in diverse industries, including plantation, pharmaceutical, cement, industrial and consumer products, transport, electronics, technology, port and property development industries.

She also served as Vice-Chairman of Malaysian International Chambers of Commerce Perak Branch between 2019 and 2021 as KPMG's representative.

She currently serves on the board of DKLS Industries Bhd, a public company listed on the Main Market of Bursa Securities, and Kawan Renergy Berhad, a public company listed on the ACE Market of Bursa Securities.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.2.2 Shareholding of our Directors

The following table sets out the direct and indirect shareholdings of our Directors before and after our IPO:

Director	Before IPO ⁽¹⁾				After IPO ⁽²⁾			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
	('000)		('000)		('000)		('000)	
Johan Ariffin Bin Rozali Wathooth	-	-	-	-	70	⁽⁴⁾ *	-	-
Leong Chao Seong	94,813	12.2	21,000	⁽³⁾ 2.7	94,883	⁽⁴⁾ 9.5	21,040	⁽³⁾⁽⁴⁾ 2.1
Wong Kin Wah	46,384	5.9	-	-	46,454	⁽⁴⁾ 4.6	-	-
Lee Yan Ling	35,597	4.6	-	-	35,667	⁽⁴⁾ 3.6	-	-
Datin Paduka Kartini Binti Hj Abdul Manaf	-	-	-	-	70	⁽⁴⁾ *	-	-
Liew Li Ping	-	-	-	-	70	⁽⁴⁾ *	-	-

Notes:

* *Negligible*

(1) *Based on 780,000,000 Shares in issue after the Subdivision.*

(2) *Based on the enlarged issued Shares of 1,000,000,000 upon our Listing.*

(3) *Deemed interested by virtue of the shareholdings of his spouse, Chung Yook Chee and children, Leong Xiao Rui and Leong Xiao Lung in our Company, applying Section 59(11)(c) of the Act.*

(4) *Assuming that our Directors have fully subscribed for their respective entitlements under the Pink Form Allocations.*

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.2.3 Principal directorship and principal business activities of our Directors outside our Group in the past five years

The directorships of our Directors outside of our Group as at the LPD (“**Present Directorships**”) and in the past five years preceding the LPD (“**Past Directorships**”), as well as their involvement in principal business activities outside our Group as at the LPD are as follows:

<u>Name of company/entity</u>	<u>Principal activities</u>	<u>Involvement in business activities</u>
Johan Ariffin Bin Rozali Wathooth		
Present Directorships and other involvement in principal business activities outside our Group		
• Active Force Security Services Sdn Bhd	• Guards and security services	• Director (<i>Appointed on 23 November 2021</i>) and substantial shareholder (direct)
• Aqalb Pte Ltd ⁽¹⁾	• Distribution of television programmes	• Director (<i>Appointed on 16 March 2022</i>)
• BCP Asia Partners Sdn Bhd	• Assets & portfolio management	• Director (<i>Appointed on 23 March 2021</i>) and substantial shareholder (indirect)
• Bintang Capital Partners Berhad	• Private equity management corporation	• Director (<i>Appointed on 2 November 2017</i>) and substantial shareholder (direct)
• Bitsmedia Holdings Limited ⁽¹⁾	• Investment holding with investments in software development (including Islamic software) and applications (except games and cybersecurity) and technology services	• Director (<i>Appointed on 31 July 2017</i>)
• Bitsmedia Pte Ltd ⁽¹⁾	• Development of software and applications (except games and cybersecurity)	• Director (<i>Appointed on 31 July 2017</i>)
• Corellia Holdings I Sdn Bhd ⁽¹⁾	• Investment holding with investments in the business of supplying energy efficiency solutions	• Director (<i>Appointed on 27 April 2021</i>)
• Endor Holdings Sdn Bhd ⁽¹⁾	• Investment holding with investments in elderly care solutions provider	• Director (<i>Appointed on 3 June 2022</i>)
• Ilum Holdings I Sdn Bhd ⁽¹⁾	• Investment holding with investments in waste management	• Director (<i>Appointed on 8 May 2023</i>)
• Impact Integrated	• To solicit, raise, receive, manage, maintain and administer funds and/or provide grants to eligible youth or youth related organisations, to carry out and manage programmes and activities with the objective of improving the socio-economic,	• Director (<i>Appointed on 18 September 2023</i>)

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Name of company/entity	Principal activities	Involvement in business activities
	health, wellbeing, quality of life of Malaysian youth as well as to instil the spirit of unity and volunteerism amongst them, the community and nations; to nurture and cultivate the youth in Malaysia on the tradition of community services through volunteer activities as well as to create and strengthen a harmonious and healthy interaction and integration	
● Involve Asia Technologies Sdn Bhd ⁽¹⁾	● Owner of a proprietary technology platform connecting publishers (such as affiliates, website or app owners, influencers and other digital property owners) to advertisers whereby advertisers pay commissions to publishers for promoting their campaigns	● Director <i>(Appointed on 17 February 2023)</i>
● Jakku Holdings I Sdn Bhd ⁽¹⁾	● Investment holding company with investments in secondary watch re-seller platform	● Director <i>(Appointed on 5 May 2023)</i>
● Jakku Holdings II Sdn Bhd ⁽¹⁾	● Investment holding with investments in secondary watch re-seller platform	● Director <i>(Appointed on 7 June 2023)</i>
● Malaysian Leprosy Relief Association	● To assist patients, ex-patients and communities affected by leprosy, educating the public to create more empathy and understanding for the disease and its sufferers	● Honorary Treasurer <i>(Appointed on 15 December 2013)</i>
● Muslim Pro Technologies Sdn Bhd ⁽¹⁾	● Providing Islamic software and technology services	● Director <i>(Appointed on 28 November 2017)</i>
● Naboo Holdings I Sdn Bhd ⁽¹⁾	● Investment holding with investment in proprietary technology platform company	● Director <i>(Appointed on 27 July 2022)</i>
● Tatoonie Holdings Sdn Bhd ⁽¹⁾	● Investment holding with investments in software and applications development and technology services	● Director <i>(Appointed on 7 June 2022)</i>
● WatchBox Holdings US, Inc ⁽¹⁾	● Investment holding company with investment in secondary watch re-seller platform	● Director <i>(Appointed on 30 December 2021)</i>
● Wise Payments Malaysia Sdn Bhd	● Online money transfer services	● Director <i>(Appointed on 1 January 2022)</i>

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

<u>Name of company/entity</u>	<u>Principal activities</u>	<u>Involvement in business activities</u>
<ul style="list-style-type: none"> Yayasan Tunku Abdul Rahman 	<ul style="list-style-type: none"> A statutory body set up to recognise and encourage the development of youths from the under-privileged and under-represented segments of the community through the provision of scholarships for higher education and mentorship 	<ul style="list-style-type: none"> Trustee (<i>Appointed on 1 November 2018</i>) and Chairman of Administrative Committee (<i>Appointed 29 November 2023</i>)
Past Directorship		
<ul style="list-style-type: none"> WatchBanQ Group⁽¹⁾ 	<ul style="list-style-type: none"> Luxury retail business 	<ul style="list-style-type: none"> Director (<i>Appointed on 22 July 2019 and resigned on 29 December 2021</i>)
Leong Chao Seong		
Present Directorships and other involvement in principal business activities outside our Group		
<ul style="list-style-type: none"> AR Capital Pte Ltd 	<ul style="list-style-type: none"> Investment holding and fund management activities (invest in listed companies' shares in Singapore) 	<ul style="list-style-type: none"> Substantial shareholder (direct)
<ul style="list-style-type: none"> Austen Pacific Ltd 	<ul style="list-style-type: none"> Investment holding with investments in shares, portfolio investments, property and trading of chemicals⁽²⁾ 	<ul style="list-style-type: none"> Director (<i>Appointed on 18 September 2008</i>) and substantial shareholder (direct)
<ul style="list-style-type: none"> B & C Lingerie Sdn Bhd 	<ul style="list-style-type: none"> Retail sale of apparel 	<ul style="list-style-type: none"> Substantial shareholder (direct)
<ul style="list-style-type: none"> Bluecarbon Solutions Sdn Bhd 	<ul style="list-style-type: none"> Property investment and event management 	<ul style="list-style-type: none"> Substantial shareholder (direct)
<ul style="list-style-type: none"> PT Taiko Persada Indoprima 	<ul style="list-style-type: none"> Property investment and trading of chemicals 	<ul style="list-style-type: none"> President Commissioner (<i>Appointed on 1 September 2017</i>)
<ul style="list-style-type: none"> RBL Resources Sdn Bhd 	<ul style="list-style-type: none"> Property investment and letting out company's properties 	<ul style="list-style-type: none"> Substantial shareholder (direct)
<ul style="list-style-type: none"> Taiko International Trade (Shanghai) Co., Ltd 	<ul style="list-style-type: none"> Property investment 	<ul style="list-style-type: none"> Director (<i>Appointed on 20 October 2010</i>)
<ul style="list-style-type: none"> TMKS 	<ul style="list-style-type: none"> Property investment and trading of chemicals⁽³⁾ 	<ul style="list-style-type: none"> Director (<i>Appointed on 15 April 1999</i>) and substantial shareholder (direct)
<ul style="list-style-type: none"> Trilink Synergy Sdn Bhd 	<ul style="list-style-type: none"> Real estate activities with own or leased property .N.E.C.⁽⁴⁾ 	<ul style="list-style-type: none"> Director (<i>Appointed on 28 May 2014</i>) and substantial shareholder (direct)

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

<u>Name of company/entity</u>	<u>Principal activities</u>	<u>Involvement in business activities</u>
Past Directorship		
<ul style="list-style-type: none"> • Taiko Personal Care Products (Shanghai) Co., Ltd 	<ul style="list-style-type: none"> • Property investment 	<ul style="list-style-type: none"> • Director (<i>Appointed on 20 October 2010 and resigned on 13 March 2024</i>)
Wong Kin Wah		
Present Directorships and other involvement in principal business activities outside our Group		
<ul style="list-style-type: none"> • Austen Pacific Ltd 	<ul style="list-style-type: none"> • Investment holding with investments in shares, portfolio investments, property and trading of chemicals⁽²⁾ 	<ul style="list-style-type: none"> • Substantial shareholder (direct)
<ul style="list-style-type: none"> • PT Taiko Persada Indoprima 	<ul style="list-style-type: none"> • Property investment and trading of chemicals 	<ul style="list-style-type: none"> • Director (<i>Appointed on 1 September 2017</i>)
<ul style="list-style-type: none"> • RBL Resources Sdn Bhd 	<ul style="list-style-type: none"> • Property investment and letting out company's properties 	<ul style="list-style-type: none"> • Director (<i>Appointed 16 May 2013</i>) and Substantial shareholder (direct)
<ul style="list-style-type: none"> • Taiko International Trade (Shanghai) Co., Ltd 	<ul style="list-style-type: none"> • Property investment 	<ul style="list-style-type: none"> • Director (<i>Appointed on 21 May 2018</i>)
<ul style="list-style-type: none"> • TMKS 	<ul style="list-style-type: none"> • Property investment and trading of chemicals⁽³⁾ 	<ul style="list-style-type: none"> • Substantial shareholder (direct)
Past Directorship		
<ul style="list-style-type: none"> • Taiko Personal Care Products (Shanghai) Co., Ltd 	<ul style="list-style-type: none"> • Property investment 	<ul style="list-style-type: none"> • Director (<i>Appointed on 16 May 2018 and resigned on 13 March 2024</i>)
Lee Yan Ling		
Present Directorships and other involvement in principal business activities outside our Group		
<ul style="list-style-type: none"> • Apex Glory Pte Ltd 	<ul style="list-style-type: none"> • Investment holding principally involved in portfolio investments 	<ul style="list-style-type: none"> • Director (<i>Appointed on 2 September 2022</i>)
<ul style="list-style-type: none"> • Apex Growth Pte Ltd 	<ul style="list-style-type: none"> • Investment holding principally involved in portfolio investments 	<ul style="list-style-type: none"> • Director (<i>Appointed on 2 September 2022</i>)

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

<u>Name of company/entity</u>	<u>Principal activities</u>	<u>Involvement in business activities</u>
• Austen Pacific Ltd	• Investment holding with investments in shares, portfolio investments, property and trading of chemicals ⁽²⁾	• Director (<i>Appointed on 17 August 2020</i>)
• Amazing Delight Sdn Bhd	• Investment holding ⁽⁵⁾	• Director (<i>Appointed on 4 June 2020</i>)
• Base Skypower Sdn Bhd	• Investment holding with investments in healthcare, education and real estate businesses	• Director (<i>Appointed on 1 July 2019</i>) and substantial shareholder (direct)
• Baypark Holdings Sdn Bhd	• Investment holding and provision of general consultancy services with investments in glove manufacturing and flight operational management services, aircraft engineering services	• Director (<i>Appointed on 15 July 2019</i>) and substantial shareholder (direct)
• Benningham Investment Holdings Pte Ltd	• Investment and property holding ⁽⁵⁾	• Director (<i>Appointed on 19 August 2020</i>)
• Crestline Capital Pte Ltd	• Single family office (“SFO”) activities, management consultancy services for Indah Investments Pte Ltd.	• Director (<i>appointed 18 December 2023</i>) and substantial shareholder (direct)
• Eminence Sky Ltd	• Holding of aircraft mainly for personal use	• Director (<i>appointed 16 November 2023</i>)
• Ever Unique Sdn Bhd	• Investment holding ⁽⁵⁾	• Director (<i>Appointed on 4 June 2020</i>)
• Hospital Seri Botani Sdn Bhd	• To provide private healthcare facilities, services and trading	• Director (<i>Appointed on 5 December 2022</i>)
• Indah Investments Pte Ltd	• SFO fund entity for Investment holdings in various financial assets including listed equities and funds	• Director (<i>appointed 18 December 2023</i>) and substantial shareholder (direct)
• Oceania Farmfoods Pte Ltd	• Trading in food products	• Director (<i>Appointed on 28 December 2020</i>)
• Omnitude Investments Ltd	• Investment holding with investments in companies owning properties and aircraft	• Director (<i>Appointed on 17 August 2020</i>)
• Orient View Sdn Bhd	• Investment holding with investments in high density poly ethylene (“HDPE”) drums and related products, dealing in chemical related products, general trading and bleaching earth business	• Director (<i>Appointed on 15 July 2019</i>) and substantial shareholder (direct)
• Radiant View Sdn Bhd	• Investment holding ⁽⁵⁾	• Director (<i>Appointed on 4 June 2020</i>)

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

<u>Name of company/entity</u>	<u>Principal activities</u>	<u>Involvement in business activities</u>
<ul style="list-style-type: none"> Scenic View International Ltd 	<ul style="list-style-type: none"> Investment holding with investment in a company owning a yacht 	<ul style="list-style-type: none"> Director (<i>Appointed on 25 October 2021</i>)
<ul style="list-style-type: none"> Seri Botani International School Sdn Bhd (<i>formerly known as. Botani International School Sdn Bhd</i>) 	<ul style="list-style-type: none"> Provide education facilities, services and trading 	<ul style="list-style-type: none"> Director (<i>Appointed on 5 December 2022</i>)
<ul style="list-style-type: none"> Stafford 	<ul style="list-style-type: none"> Investment holding with investments in shares, portfolio investments, property and trading of chemicals⁽²⁾⁽³⁾ 	<ul style="list-style-type: none"> Director (<i>Appointed on 17 August 2020</i>) and <i>substantial shareholder (direct)</i>
<ul style="list-style-type: none"> Taiko Chemical Industries Pte Ltd 	<ul style="list-style-type: none"> Trading in bleaching earth 	<ul style="list-style-type: none"> Director (<i>Appointed on 13 January 2021</i>)
<ul style="list-style-type: none"> Taiko Drum Industries Pte Ltd 	<ul style="list-style-type: none"> Trading in HDPE drums and related products 	<ul style="list-style-type: none"> Director (<i>Appointed on 13 January 2021</i>)
<ul style="list-style-type: none"> TMKS 	<ul style="list-style-type: none"> Property investment and trading of chemicals⁽³⁾ 	<ul style="list-style-type: none"> Director (<i>Appointed on 9 September 2020</i>)
<ul style="list-style-type: none"> Torsgate 	<ul style="list-style-type: none"> Investment holding with investments in shares, portfolio investments, property and trading of chemicals⁽²⁾⁽³⁾ 	<ul style="list-style-type: none"> Director (<i>Appointed on 31 July 2019</i>)
Past Directorships		
<ul style="list-style-type: none"> Nil 		
Datin Paduka Kartini Binti Hj Abdul Manaf		
Present Directorships and other involvement in principal business activities outside our Group		
<ul style="list-style-type: none"> Duopharma Biotech Berhad (<i>listed on the Main Market of Bursa Securities</i>) 	<ul style="list-style-type: none"> Investment holding activities with investments in manufacturing, distribution, trading, marketing, sales, research and development, distribution of pharmaceutical and chemical products and medicines; property management and services 	<ul style="list-style-type: none"> Director (<i>Appointed on 1 June 2023</i>)
<ul style="list-style-type: none"> I&P Kota Bayuemas Sdn Bhd⁽⁶⁾ (<i>subsidiary of S P Setia Berhad, which is listed on the Main Market of Bursa Securities</i>) 	<ul style="list-style-type: none"> Property development 	<ul style="list-style-type: none"> Director (<i>Appointed on 21 October 2021</i>)

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

<u>Name of company/entity</u>	<u>Principal activities</u>	<u>Involvement in business activities</u>
• LTH	• Hajj management, depository services and investment	• Director <i>(Appointed on 1 August 2021)</i>
• LTH Property Holding Limited ⁽⁷⁾	• Property investment in the United Kingdom	• Director <i>(Appointed on 21 January 2022)</i>
• LTH Property Holdings 2 Limited ⁽⁷⁾	• Property investment in the United Kingdom	• Director <i>(Appointed on 21 January 2022)</i>
• LTH Property Holdings 3 Limited ⁽⁷⁾	• Property investment in the United Kingdom	• Director <i>(Appointed on 21 January 2022)</i>
• LTH Property Holdings 4 Limited ⁽⁷⁾	• Property investment in the United Kingdom	• Director <i>(Appointed on 21 January 2022)</i>
• LTH Property Investment (L) Inc ⁽⁷⁾	• Property investment in the United Kingdom	• Director <i>(Appointed on 22 December 2021)</i>
• Perumahan Kinrara Berhad ⁽⁷⁾ <i>(subsidiary of S P Setia Berhad, which is listed on the Main Market of Bursa Securities)</i>	• Property development, operation of golf course and resort	• Director <i>(Appointed on 21 October 2021)</i>
• TH Properties Sdn Bhd ⁽⁷⁾	• Investment holding principally involved in integrated property development, construction management, asset & facility management	• Director <i>(Appointed on 29 June 2022)</i>
• Venturetech SBI Sdn Bhd	• Financial consultancy services	• Director <i>(Appointed on 1 March 2023)</i>
• Venturetech Sdn Bhd	• Invest and nurture start-up and growth stage companies in biotechnology and bio industry	• Director <i>(Appointed on 1 March 2022)</i>
• Yayasan Insan dan Ilmu	• To receive and administer funds for education and charitable purposes	• Director <i>(Appointed on 25 May 2012)</i>
Past Directorships		
• Akari Software Asia Pacific Sdn Bhd	• Software and consultancy information technology provider	• Director <i>(Appointed on 1 July 2020 and resigned on 1 May 2021)</i>

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name of company/entity	Principal activities	Involvement in business activities
<ul style="list-style-type: none"> Chemical Company of Malaysia Berhad (“CCM Bhd”) (subsidiary of Batu Kawan Berhad which is listed on the Main Market of Bursa Securities. CCM Bhd was then listed on the Main Market of Bursa Securities when she served as its director)⁽⁶⁾ 	<ul style="list-style-type: none"> Investment holding and management company with subsidiaries engaged in the manufacturing and marketing and/or supply of chemicals and polymers products and services 	<ul style="list-style-type: none"> Director (Appointed on 10 January 2011 and resigned on 28 May 2019)
<ul style="list-style-type: none"> Manfaat Tetap Sdn Bhd⁽⁶⁾ 	<ul style="list-style-type: none"> Special purpose vehicle to facilitate the issuance of RM752,236,660 Sukuk Mudharabah for the purpose of refinancing the Al-Bai Bithaman Ajil Islamic debt securities of its immediate holding company, Sistem Lingkaran-Lebuhraya Kajang Sdn Bhd 	<ul style="list-style-type: none"> Director (Appointed on 15 April 2019 and resigned on 2 December 2019)
<ul style="list-style-type: none"> Myren Network Sdn Bhd 	<ul style="list-style-type: none"> Development of ICT network infrastructure 	<ul style="list-style-type: none"> Director (Appointed on 1 July 2020 and resigned on 1 May 2021)
<ul style="list-style-type: none"> Perodua Sales Sdn Bhd⁽⁶⁾ (subsidiary of UMW Holdings Berhad which was formerly listed on the Main Market of Bursa Securities) 	<ul style="list-style-type: none"> Marketing and distribution of motor vehicles, related spare parts and other related activities 	<ul style="list-style-type: none"> Director (Appointed on 1 September 2020 and resigned on 13 December 2023))
<ul style="list-style-type: none"> PNB Asset Management (Japan) Ltd⁽⁶⁾ 	<ul style="list-style-type: none"> Portfolio management 	<ul style="list-style-type: none"> Director (Appointed on 1 January 2018 and resigned on 7 January 2020)
<ul style="list-style-type: none"> PNB Capital Domestic 3 Sdn Bhd (formerly known as PNB Capital Domestic 1 Sdn Bhd)⁽⁶⁾ 	<ul style="list-style-type: none"> Investment holding with investments in Malaysia under approved private investment framework⁽⁸⁾ 	<ul style="list-style-type: none"> Director (Appointed on 8 August 2018 and resigned on 8 January 2020)
<ul style="list-style-type: none"> PNB Capital Legacy Sdn Bhd⁽⁶⁾ 	<ul style="list-style-type: none"> Investment holding with investments in Malaysia for legacy investments in PNB⁽⁸⁾ 	<ul style="list-style-type: none"> Director (Appointed on 18 August 2018 and resigned on 8 January 2020)
<ul style="list-style-type: none"> PNB Capital Sdn Bhd⁽⁶⁾ 	<ul style="list-style-type: none"> Immediate investment holding company for a PNB investee company⁽⁸⁾ 	<ul style="list-style-type: none"> Director (Appointed on 17 August 2018 and resigned on 8 January 2020)

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

<u>Name of company/entity</u>	<u>Principal activities</u>	<u>Involvement in business activities</u>
• PNB Inspire Partners Corporation ⁽⁶⁾	• General partner of PNB Inspire Ethical Fund, a Japan based private equity fund focussed in making early investments in Japan and Malaysia including promotion of Japanese Halal related products or ingredients to the region	• Director (<i>Appointed on 31 March 2014 and resigned on 7 January 2020</i>)
• PNB Wasserstein Holdings ⁽⁶⁾	• Investment advisory services	• Director (<i>Appointed on 25 July 2018 and resigned on 31 December 2019</i>)
• Projek Lintasan Damansara-Shah Alam Sdn Bhd ⁽⁶⁾	• To undertake toll collection, operation & maintenance and construction of highways	• Director (<i>Appointed on 15 April 2019 and resigned on 2 December 2019</i>)
• Projek Lintasan Kota Holdings Sdn Bhd ⁽⁶⁾	• Investment holdings, provision of management services and to carry on any other business to enhance the company's property or rights	• Director (<i>Appointed on 15 April 2019 and resigned on 2 December 2019</i>)
• Projek Lintasan Kota Sdn Bhd ⁽⁶⁾	• To undertake toll collection, operation & maintenance and construction of highways	• Director (<i>Appointed on 15 April 2019 and resigned on 2 December 2019</i>)
• Projek Lintasan Shah Alam Sdn Bhd ⁽⁶⁾	• To undertake toll collection, operation & maintenance and construction of highways	• Director (<i>Appointed on 15 April 2019 and resigned on 2 December 2019</i>)
• Projek Lintasan Sungai Besi-Ulu Klang Sdn Bhd ⁽⁶⁾	• To undertake toll collection, operation & maintenance and construction of highways	• Director (<i>Appointed on 15 April 2019 and resigned on 2 December 2019</i>)
• Prolintas Expressway Sdn Bhd ⁽⁶⁾	• To undertake toll collection, operation & maintenance and construction of highways	• Director (<i>Appointed on 15 April 2019 and resigned on 2 December 2019</i>)
• Prolintas Highway Services Sdn Bhd ⁽⁶⁾	• To undertake toll collection, operation & maintenance and construction of highways	• Director (<i>Appointed on 15 April 2019 and resigned on 2 December 2019</i>)
• Sapura Energy Berhad ⁽⁶⁾ (<i>listed on the Main Market of Bursa Securities</i>)	• Investment holdings and provision of management services to its subsidiaries which are involved in oil and gas, manufacturing engineering, property industries.	• Director (<i>Appointed on 24 April 2019 and resigned on 31 December 2019</i>)
• Sistem Lingkaran-Lebuhraya Kajang Sdn Bhd ⁽⁶⁾	• To undertake toll collection, operation & maintenance and construction of highways	• Director (<i>Appointed on 15 April 2019 and resigned on 2 December 2019</i>)

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

<u>Name of company/entity</u>	<u>Principal activities</u>	<u>Involvement in business activities</u>
<ul style="list-style-type: none"> Syarikat Takaful Malaysia Keluarga Berhad⁽⁷⁾ (listed on the Main Market of Bursa Securities) 	<ul style="list-style-type: none"> General takaful business and family takaful business 	<ul style="list-style-type: none"> Director (Appointed on 1 April 2022 and resigned on 31 May 2024)
<ul style="list-style-type: none"> Turnpike Synergy Sdn Bhd⁽⁶⁾ 	<ul style="list-style-type: none"> Asset management; consulting and project management; maintenance and repair works and toll management 	<ul style="list-style-type: none"> Director (Appointed on 15 April 2019 and resigned on 2 December 2019)
<ul style="list-style-type: none"> UITM Holdings Sdn Bhd 	<ul style="list-style-type: none"> Investment holdings with investments in solar plants, art centre, telecommunication, network and software solutions technology and healthcare businesses 	<ul style="list-style-type: none"> Director (Appointed on 1 July 2020 and resigned on 1 May 2021)
<ul style="list-style-type: none"> UMK Holdings Sdn Bhd (formerly known as UMK Business Ventures Sdn Bhd) 	<ul style="list-style-type: none"> Business as education consultants and training centre; management services in all kinds of areas of expertise; business of investment holding in real property, share and other financial instrument and housing development 	<ul style="list-style-type: none"> Director (Appointed on 17 June 2021 and resigned on 1 February 2023)
<ul style="list-style-type: none"> UMW Holdings Berhad⁽⁶⁾ (formerly listed on the Main Market of Bursa Securities) 	<ul style="list-style-type: none"> Investment holding principally involved in the business of (1) import, assembly and marketing of passenger and commercial vehicles and related spares; (2) trading and leasing of heavy and light equipment and related spares for the industrial, construction & agricultural sectors; (3) manufacturing, assembly and trading of automotive parts, the blending, packaging, marketing and distribution of lubricants and other established agency lines in the automotive field; (4) support services in travel, information technology, property development, management, corporate and various professional services 	<ul style="list-style-type: none"> Director (Appointed on 15 June 2017 and resigned on 13 December 2023)
<ul style="list-style-type: none"> Unilever (Malaysia) Holdings Sdn Bhd⁽⁶⁾ 	<ul style="list-style-type: none"> Marketing and sale of edible fats, tea, ice-cream, soaps, detergents and personal care products 	<ul style="list-style-type: none"> Director (Appointed on 31 December 2017 and resigned on 15 April 2020)
<ul style="list-style-type: none"> Universiti Malaysia Kelantan 	<ul style="list-style-type: none"> Public university 	<ul style="list-style-type: none"> Director (Appointed on 15 November 2017 and resigned on 15 November 2022)
<ul style="list-style-type: none"> Yayasan CCM 	<ul style="list-style-type: none"> To receive and administer funds for education and charitable purposes 	<ul style="list-style-type: none"> Director (Appointed on 7 November 2016 and resigned on 28 May 2019)

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name of company/entity	Principal activities	Involvement in business activities
Liew Li Ping		
Present Directorships and other involvement in principal business activities outside our Group		
<ul style="list-style-type: none"> DKLS Industries Bhd <i>(listed on the Main Market of Bursa Securities)</i> 	<ul style="list-style-type: none"> Investment holding and provision of management services with investments in the business of construction, property development, quarrying and trading of related products and construction materials 	<ul style="list-style-type: none"> Director (<i>Appointed on 1 June 2024</i>)
<ul style="list-style-type: none"> Kawan Renergy Berhad <i>(listed on the ACE Market of Bursa Securities)</i> 	<ul style="list-style-type: none"> Investment holding with investments in design, fabrication, installation and/or commissioning of industrial process equipment, process plants, renewable energy and co-generation plants; as well as independent power producer involvement in power generation and sale of electricity 	<ul style="list-style-type: none"> Director (<i>Appointed on 26 June 2023</i>) and shareholder (direct)
<ul style="list-style-type: none"> Wonderbiz 29 PLT 	<ul style="list-style-type: none"> Event management 	<ul style="list-style-type: none"> Partner since 3 April 2023

Past Directorships

- Nil

Notes:

- (1) Portfolio companies of Bintang Capital.
- (2) The investment in chemical trading business is via Austen Pacific Ltd's 20.0% equity interest in RCL Industrial Products Pte Ltd.
- (3) Subsequent to the Business Transfer Deed, TMKS ceased its supply and distribution of chemical products from January 2024. As at the LPD, Chlor-Al holds 96.6% in TMK Dai Hung, with TMKS holding the remaining minority share of 3.4%. TMKS is mainly engaged in rental collection operations in Singapore.
- (4) The expression "N.E.C." shall have the meaning "not elsewhere classified".
- (5) There are no current immediate investment plans for this company.
- (6) Investee company of PNB.
- (7) Investee company of LTH.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

(8) *There were no investment plans for these companies during Datin Paduka Kartini Binti Hj Abdul Manaf's tenure as director of these companies.*

The involvement of our Directors in those business activities outside our Group will not affect their commitment and responsibilities to our Group in their respective roles as our Directors as:

- (i) our Executive Directors are of the view that their involvement in other businesses or corporations 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 on which they serve;
- (ii) Johan Ariffin Bin Rozali Wathooth and Lee Yan Ling are 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 and they are not involved in the day-to-day operations of our Group; and
- (iii) Datin Paduka Kartini Binti Hj Abdul Manaf and Liew Li Ping are of the view that their involvement in other businesses or corporations does not preclude them from allocating or committing their time and effort to our Group as they are able to devote sufficient time and attention to the affairs of our Group to carry out their respective duties. They are not involved in the day-to-day operations of our Group and these businesses, other than attending meetings of the board of directors on which they serve.

9.2.4 Service contracts with our Directors

As at the date of this Prospectus, there are no existing or proposed service contracts between our Directors and us which provide for benefits upon termination of employment.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.2.5 Directors' remuneration and material benefits in-kind

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

FYE 2023	Salary	Director's Fees	Bonus	EPF and Social Security Organisation	Allowances	Benefits-in-kind	Total
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Executive Directors							
Leong Chao Seong	300.0	-	450.0	113.2	-	24.8	888.0
Wong Kin Wah	1,278.0	-	837.0	324.6	42.0	25.8	2,507.4
Non-Executive Directors⁽¹⁾							
Johan Ariffin Bin Rozali Wathooth	-	10.0	-	-	-	-	10.0
Lee Yan Ling	-	10.0	-	-	8.8	-	18.8
Datin Paduka Kartini Binti Hj Abdul Manaf	-	10.0	-	-	8.8	-	18.8
Liew Li Ping	-	10.0	-	-	8.8	-	18.8

Note:

(1) Our Non-Executive Directors were all appointed on 6 October 2023.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

FYE 2024 (Proposed to be paid)	Salary	Director's Fees	Bonus	EPF and Social Security Organisation	Allowances	Benefits-in-kind	Total
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Executive Directors							
Leong Chao Seong	300.0	-	-	113.2	-	24.8	438.0
Wong Kin Wah	1,278.0	-	-	324.6	42.0	25.8	1,670.4
Non-Executive Directors							
Johan Ariffin Bin Rozali Wathooth	-	40.0	-	-	-	-	40.0
Lee Yan Ling	-	40.0	-	-	35.0	-	75.0
Datin Paduka Kartini Binti Hj Abdul Manaf	-	40.0	-	-	35.0	-	75.0
Liew Li Ping	-	40.0	-	-	35.0	-	75.0

The remuneration of our Directors, which includes Directors' fees, bonus and such other allowances as well as other benefits, must be considered and recommended by our Nomination and Remuneration Committee and subsequently approved by our Board. Our Directors' fees must be further approved / endorsed by our shareholders at a general meeting.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.2.6 Audit and Risk Committee

Our Audit and Risk Committee was established by our Board on 10 October 2023. Our Audit and Risk Committee currently comprises the following members, all of whom are Non-Executive Directors, of which the majority are Independent Non-Executive Directors:

Name	Designation	Directorship
Liew Li Ping	Chairman	Independent Non-Executive Director
Datin Paduka Kartini Binti Hj Abdul Manaf	Member	Independent Non-Executive Director
Lee Yan Ling	Member	Non-Independent Non-Executive Director

Our Audit and Risk Committee undertakes, among others, the following functions:

(i) Financial Reporting

- (a) review our quarterly and annual financial statements to determine whether the financial statements taken as a whole provide a true and fair view of our financial position and performance, focusing particularly on:
- any changes in or implementation of major accounting policy or accounting standards;
 - significant matters highlighted including financial reporting issues, significant judgements made by our Management, significant and unusual events or exceptional transactions and how these matters are addressed;
 - significant adjustments resulting from audits;
 - financial reporting and disclosures and compliance with regulatory requirements and accounting standards;
 - the going concern assumptions;
 - litigation or actions that could affect our financial position, performance or results materially; and
 - the integrity of our financial statements;
- (b) review and monitor our Group's finance function in respect of adequacy and sufficiency to support financial recording and reporting process to ensure accurate, complete, consistent and timely reporting.

(ii) Risk management and internal control

- (a) oversee our Group's overall risk management framework and policies and review our resources in managing the risk management framework;
- (b) ensure that an appropriate risk reporting structure is established to facilitate reporting of risks to our Management and our Board;

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

- (c) review the principal risks identified and ensure implementation of appropriate risk management system to effectively identify, manage, monitor and mitigate the risks impacting our Group, and recommend for approval by our Board;
- (d) review and approve the procedures and guidelines for managing risks within our Group as well as monitor and assess the risk appetite and risk tolerance for our Group;
- (e) ensure that the key risks are effectively managed in accordance with our Group's risk management policies and strategies;
- (f) review and deliberate reports on non-compliance findings by regulatory authorities;
- (g) assess the quality, effectiveness and efficiency of the internal control in systems and processes of our Group's operations, particularly those relating to areas of significant risks;
- (h) review the evaluation by our internal and external auditors of our Group's system of internal control and our Management's responses, and ensure that appropriate action is taken and reporting thereof to our Board; and
- (i) review all requisite financial related reports/statements, Corporate Governance Overview Statement, Audit and Risk Committee Report, Statement on Risk Management and Internal Control and Sustainability Statement to be disclosed in our annual reports.

(iii) Internal audit

- (a) review the internal audit plan including the adequacy of the scope, approach, methodology, resources and authority of our Internal Audit department in carrying out its audit activities;
- (b) review the findings and audit recommendations reported by Internal Audit department and follow-up on our Management's implementation of the recommended actions to ensure all key risks and control issues are addressed;
- (c) review the effectiveness of our audit process and assess the scope of work and budget of our Internal Audit department as well as the competency and performance evaluation of our internal auditor;
- (d) report to our Board any suspected frauds or irregularities, serious internal control deficiencies or suspected infringement of laws, rules and regulations which come to the attention of our Audit and Risk Committee and are of sufficient importance to warrant the attention of our Board; and
- (e) assess the appointment or removal of the person responsible for the internal audit based on factors related to suitability, resources, competency and independence of our Management and the functions which it audits.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

(iv) External audit

- (a) review the external auditors' nature and scope of audit strategy and plan and their proposed audit fee for the year;
- (b) review the external auditors' findings arising from their audits, particularly on areas of concern raised in the management's letters and management's responses to the findings of the external auditors and the external auditors' evaluation of the system of internal control, assistance given by the employees to the external auditors during the course of audit and any other matters the external auditors may wish to discuss (in the absence of our Management, if required);
- (c) assess the appointment or re-appointment of the external auditors based on factors related to the suitability, resources, competency and independence of the external auditors and review any questions of resignation, dismissal or cessation of office of the external auditors;
- (d) review any non-audit services performed by the external auditors taking into consideration the types of services rendered and the fees and ensure that the independent position as external auditors is not compromised;
- (e) hold private meetings with the external auditors without the presence of our Managing Director and our Management, at least twice a year or when necessary; and
- (f) ensure adherence to our External Auditor's Independence Policy which subjects the engagement of the audit partner responsible for the financial statements of our Group in compliance with the applicable laws, rules, regulations, by-laws and standards.

(v) Other matters

- (a) review and consider any related party transaction and conflict of interest situation that may arise within our Group including any transaction, procedure or course of conduct that raises questions of management integrity, and ensure that any such transaction is carried out at arm's length, on terms that are not detrimental to our Company and in the best interest of our Group and report the same to our Board;
- (b) exercise powers and carry out responsibilities as may be required from time to time under our Group's Whistleblowing Policy and Procedures; and
- (c) review and assess our Audit and Risk Committee's terms of reference as conditions dictate.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.2.7 Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was established by our Board on 10 October 2023. Our Nomination and Remuneration Committee currently comprises the following members, all of whom are Non-Executive Directors, of which the majority are Independent Non-Executive Directors:

Name	Designation	Directorship
Datin Paduka Kartini Binti Hj Abdul Manaf	Chairman	Independent Non-Executive Director
Liew Li Ping	Member	Independent Non-Executive Director
Lee Yan Ling	Member	Non-Independent Non-Executive Director

Our Nomination and Remuneration Committee undertakes, among others, the following functions:

(i) **Nomination matters**

- (a) identify, consider and recommend to our Board suitable candidates for appointment as Directors. In doing so, our Nomination and Remuneration Committee does not rely solely on recommendations from existing Directors, management or major shareholders, but will also utilise independent sources to identify suitably qualified candidates. In making the recommendations, our Nomination and Remuneration Committee shall assess the candidates':
- skills, knowledge, expertise and experience;
 - qualification and professionalism;
 - integrity, competence, character;
 - age, gender and cultural background;
 - in the case of candidates for the position of Independent Directors, our Nomination and Remuneration Committee should also evaluate the candidate's ability to discharge such responsibilities/functions as expected from Independent Directors;
 - level of commitment, resources and time that the recommended candidate can contribute to discharge their role effectively; and
 - ability to work together with other members of our Board for the best interest of our Company.
- (b) recommend to our Board, directors to fill the seats on our Board committees;
- (c) review the term of office and performance of our Audit and Risk Committee and each of its members annually to determine whether our Audit and Risk Committee and its members have carried out their duties in accordance with their terms of reference;

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

- (d) oversee the implementation of the succession planning for Executive Directors, Managing Director and Key Senior Management taking into account the challenges and opportunities faced by our Company and the skills and expertise needed for our Company to execute its strategies;
- (e) assess annually the effectiveness of our Board as a whole, our Board committees and the contribution of each existing individual Director including each Director's competence character, competence, experience and time commitment and thereafter, recommend its findings to our Board for disclosure in our Company's Corporate Governance Report;
- (f) review annually the required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to our Board and thereafter, recommend its findings to our Board;
- (g) apply the process as determined by our Board, for assessing the effectiveness of our Board as a whole, the committees of our Board, and for assessing the contribution of each individual Director, including Independent Directors, as well as the Managing Director where all assessments and evaluations carried out by our Nomination and Remuneration Committee in the discharge of all its functions should be properly documented;
- (h) review the tenure and performance of each Director, where annual re-election of a director should be contingent on satisfactory evaluation of the Director's performance and contribution to our Board;
- (i) ensure all appointments and re-election of Directors are evaluated through a transparent process, including meeting the criteria of our Fit and Proper Policy and recommend to our Board with reasons in support of re-election of Directors who are retired by rotation pursuant to our Company's Constitution and re-appointment of Directors who retired pursuant to the Act;
- (j) recommend to our Board the appointment, cessation, suspension, dismissal and/or any staff movement including re-designation, re-deployment, transfer or secondment of our Key Senior Management;
- (k) review and oversee the development of a diverse pipeline for our Board and Management succession, including the future Chairman, Executive Directors and Managing Director;
- (l) review and assess on an annual basis, the independence of our Independent Directors;
- (m) to ensure that all Directors undergo appropriate induction programs and receive continuous training to facilitate our Directors in director training and development and to allow our Directors to keep abreast with developments in the industry and business, corporate governance and regulatory changes; and
- (n) review the participation of women in senior management to ensure there is a healthy talent pipeline and disclosing our Company's policy on gender diversity for our Board and senior management in our annual report.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(ii) Remuneration matters

- (a) set and recommend to our Board policies and procedures on the remuneration of our Directors and Key Senior Management, taking into account the demands, complexities and performance of our Group in managing material sustainability risks and opportunities as well as the following considerations:
- skills, knowledge, expertise, experience and technical competency;
 - qualification and professionalism;
 - integrity;
 - roles and responsibilities;
 - the business and risk strategies and long-term objectives of our Group;
- (b) review and recommend to our Board, proposals on our Executive Directors' and the Key Senior Management's remuneration and benefits including bonus and salary increment and share option, if any and compensation payment in the event of termination of the employment/service contracts (if any) by our Group;
- (c) recommend to our Board, the Directors' fees and benefits (if any) payable to our Non-Executive Directors for recommendation to the shareholders of our Company for approval; and
- (d) consider the adequate disclosure of our Board's remuneration in the annual report pursuant to the Listing Requirements.

(iii) Others matters

- (a) recommend to our Board on the appointment of experts or consultants, where necessary to fulfil its responsibilities including the periodical evaluation of the performance of our Board; and
- (b) consider and examine such matters as our Board and our Nomination and Remuneration Committee considers appropriate from time to time.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.3 KEY SENIOR MANAGEMENT

Our Key Senior Management is responsible for the day-to-day management and operations of our Group. Our Key Senior Management as at the date of this Prospectus are as follows:

Name	Age	Designation
Leong Chao Seong	62	Non-Independent Executive Director and Deputy Chairman
Wong Kin Wah	53	Non-Independent Executive Director and Managing Director
Loke Weng Han	54	Chief Operating Officer
Chung Yook Tong	62	Marketing Director
Khor Chin Joo	58	Chief Financial Officer and Company Secretary ⁽¹⁾

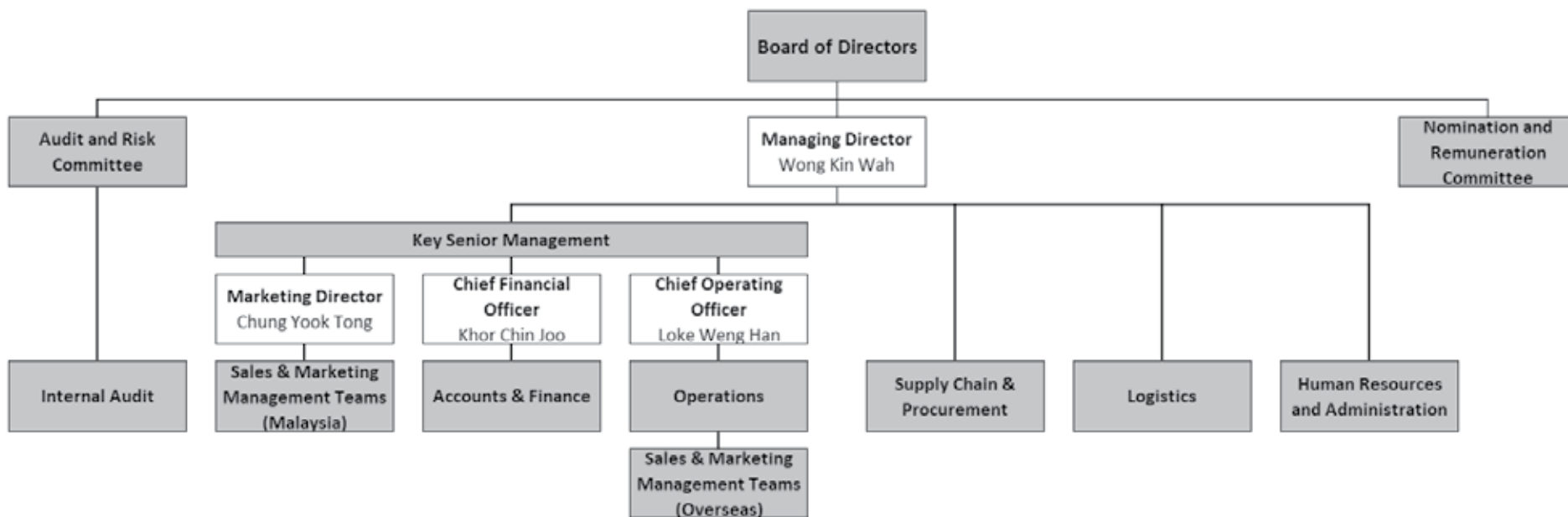
Note:

- (1) *Our company secretaries are Chan Yoke Yin and Khor Chin Joo. Chan Yoke Yin is the primary company secretary for our Group's secretarial matters whereas Khor Chin Joo only attends to our Group's secretarial matters in the absence of Chan Yoke Yin. Khor Chin Joo's primary role in our Company is as our Group's Chief Financial Officer.*

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

9.3.1 Management reporting structure

Our management reporting structure is as follows:



9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.3.2 Profiles of our Key Senior Management

The profiles of our Executive Directors who are also part of our Key Senior Management are set out in Section 9.2.1 of this Prospectus.

(i) Loke Weng Han

Loke Weng Han, a Malaysian aged 54, is our Chief Operating Officer. He has over 25 years of experience in sales and marketing in the service of our Group.

He graduated with a Bachelor of Business Administration (Honours) from Universiti Utara Malaysia in 1995.

After his graduation, he joined Asia Commercial Finance (M) Berhad in 1995 as a finance officer responsible for processing applications for car financing. Within the same year, he joined Alpha Data Sdn Bhd as sales executive of electronic and computer equipment until he left in 1997 to join our Group.

He began his career with our Group in 1997 when he joined our Company as Sales Executive. He was subsequently promoted to Assistant Manager and Sales Manager. In 2004, he was re-designated and transferred to oversee our Group's operations in Singapore as General Manager (Sales) of Chlor-AI. He held several positions while based in Singapore including Country Manager of Vietnam responsible for overseeing our Group's Vietnam operations and Regional General Manager of our Company tasked with overseeing the operations of our Johor branch office. He was appointed and has been a director of Chlor-AI since 2006. He assumed his current position in 2023, responsible for overseeing our Group's day-to-day operations as well as management and maintenance of corporate relations, strategising and implementation of marketing plans for our Group.

(ii) Chung Yook Tong

Chung Yook Tong, a Malaysian aged 62, is our Marketing Director. He has over 32 years of experience in sales and marketing, of which over 27 years was in service of our Group, primarily in sales and various senior management roles.

He graduated with a Bachelor of Arts (Honours) in Business Studies from the South Bank Polytechnic (*now known as South Bank University*), United Kingdom in 1987 and thereafter he continued to study for the Chartered Institute of Management Accountants qualification in the United Kingdom.

He returned to Malaysia in 1989 after securing employment as a Senior Sales Executive at Nagase (M) Sdn Bhd ("**Nagase**"), a Japanese trading house dealing with electronics, chemicals and plastic resins where he was tasked to develop the company's operations in the Malaysian southern market.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

He left Nagase in 1992 to join our Group in Singapore as Senior Sales Executive, tasked with driving sales growth and achieving sales and profit goals until 1994 when he was re-designated as Product Manager of TMKS, responsible for leading product strategies to achieve business objectives and to drive sales growth. Between 1996 and 2002 he was transferred to and designated as Manager of our Chlor-Alkali Division, responsible for exploring and developing new business opportunities.

In 2003, he was further promoted as General Manager of our Retail and Trading Department, a position which he held for the next 16 years where his responsibilities include executing sales and marketing strategies. He has since 2020, assumed his current position as our Marketing Director, where in addition to being in charge of strategising and the implementation of marketing plans, he is also responsible for the management of and maintenance of corporate relations.

He is presently our representative and serves as the Honorary Secretary of the Executive Committee of the Chemical Industries Council of Malaysia, an industry association representing the various sub-sector chemical groups, formed to promote co-operation among manufacturers of chemicals in Malaysia and to serve as a channel of communication between the chemical industry and the Government on matters of concern and interest to the industry.

For his family relationship with our substantial shareholder and Promoter, see Section 9.4 of this Prospectus.

(iii) **Khor Chin Joo**

Khor Chin Joo, a Malaysian aged 58, is our Chief Financial Officer and Company Secretary. He has over 27 years of experience in auditing and accounting and finance of which over 11 years was in service of our Group.

He obtained a Bachelor of Commerce in 1994 from Deakin University, Australia and was admitted as a member of MIA in 2002.

He began his career in 1994 as an Audit Semi-Senior in Sekhar & Tan, a taxation advisory, audit & assurance, consultancy firm where he was responsible for leading and managing audit portfolios of audit clients of various industries until he left as an Audit Senior in 1996.

He joined Lion Construction & Engineering Sdn Bhd in 1996 as an Assistant Accountant and was promoted to the position of Accountant in 1997. In 1999, he was transferred to Araprop Development Sdn Bhd, a subsidiary of the Lion group of companies ("**Lion Group**"), as an Accountant and was subsequently promoted to the position of Senior Accountant in 2000. During his tenure with Lion Group between 1996 and 2001, he was responsible for preparation of monthly management accounts, quarterly accounts and forecast, review of financial and operating statements, preparation of annual report and preparation of annual budget and cashflow projections for management planning.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Between 2001 and 2004, he served as an accountant, responsible for financial reporting and management of operational finance at Setegap Berhad, a public listed company which provides civil engineering works specialising in road construction and maintenance. Setegap Berhad was then listed on the Second Board of Kuala Lumpur Stock Exchange (the predecessor of Bursa Securities).

Between 2004 and 2007, he served as an Assistant General Manager of Finance of Tamadam Bonded Warehouse Berhad (*now known as* Brahim's Holdings Berhad), then a public listed company on the Second Board of Bursa Securities, involved in the business of warehouse rental, providing bonded warehousing and freight forwarding and transportation services where he was responsible for the management of its financial reporting.

Between 2007 and 2011, he was Senior Accountant at George Kent (Malaysia) Berhad, an engineering company listed on the Main Market of Bursa Securities where he was responsible for among others, all financial reporting and analyses, reviewing tax computation and providing financial management support for the operations team.

He joined our Group as Senior Accountant in 2012 and was promoted to General Manager (Accounting) and Chief Financial Officer in 2021 and 2023 respectively. Since joining us, he has been responsible for overseeing the statutory reporting and internal management reporting functions of our Group, the financial management of our Company and Group, ensuring appropriate financial planning and financial corporate compliance, treasury, tax and other finance operations.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.3.3 Shareholding of our Key Senior Management

The shareholding of:

- (i) our Executive Directors who are also part of our Key Senior Management are set out in Section 9.2.2 of this Prospectus; and
- (ii) the other Key Senior Management,

before and after the IPO as follows:

Name	Designation	Before our IPO ⁽¹⁾				After our IPO ⁽²⁾			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
		('000)		('000)			('000)		
Loke Weng Han	Chief Operating Officer	6,935	0.9	-	-	7,005	⁽³⁾ 0.7	-	-
Chung Yook Tong	Marketing Director	8,665	1.1	-	-	8,735	⁽³⁾ 0.9	-	-
Khor Chin Joo	Chief Financial Officer and Company Secretary	-	-	-	-	300	⁽³⁾ *	-	-

Notes:

* *Negligible*

(1) *Based on 780,000,000 Shares in issue after the Subdivision.*

(2) *Based on the enlarged issued Shares of 1,000,000,000 upon our Listing.*

(3) *Assuming that our Key Senior Management have fully subscribed for their respective entitlements under the Pink Form Allocations.*

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.3.4 Involvement of our Key Senior Management in other principal business activities

Save as disclosed below, none of our Key Senior Management (other than our Executive Directors which are disclosed in Section 9.2.3 of this Prospectus) are involved in principal business activities outside our Group as at the LPD:

<u>Name of company/entity</u>	<u>Principal activities</u>	<u>Involvement in business activities</u>
Loke Weng Han		
<ul style="list-style-type: none"> Everest Incorporation Pte Ltd 	<ul style="list-style-type: none"> Property investment holding principally involved in property investment 	<ul style="list-style-type: none"> Director (<i>Appointed on 23 April 2010</i>)
Chung Yook Tong		
<ul style="list-style-type: none"> Chemical Industries Council of Malaysia 	<ul style="list-style-type: none"> To promote co-operation and development of the chemical industries in Malaysia 	<ul style="list-style-type: none"> Director (<i>Appointed on 29 June 2015</i>)
<ul style="list-style-type: none"> Kilang Papan Thong Mee Ching Kee Sdn Bhd 	<ul style="list-style-type: none"> Timber and lumber merchants; transportation 	<ul style="list-style-type: none"> Shareholder
<ul style="list-style-type: none"> Syarikat Lam Fatt Sdn Bhd 	<ul style="list-style-type: none"> Timber contractors and merchants, Transportation 	<ul style="list-style-type: none"> Shareholder
Khor Chin Joo		
<ul style="list-style-type: none"> Aprocade Sdn Bhd 	<ul style="list-style-type: none"> Provision of accounting and corporate secretarial services 	<ul style="list-style-type: none"> Director (<i>Appointed on 1 August 2002 and resigned on 15 February 2022</i>)

The involvement of our Key Senior Management mentioned above in other principal business activities outside our Group will not affect their continued contribution to the day-to-day management of our Group and are not expected to require a significant amount of their time or attention or adversely affect the operations of our Group as our Key Senior Management do not participate in the management and day-to-day operations of these businesses, other than attending meetings of the board of directors on which they serve.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.3.5 Service contracts with our Key Senior Management

As at the date of this Prospectus, there are no existing or proposed service contracts between our Key Senior Management and us which provide for benefits upon termination of employment.

9.3.6 Key Senior Management's remuneration and material benefits in-kind

The remuneration and material benefits in-kind of our Executive Directors who are also part of our Key Senior Management are set out in Section 9.2.5 of this Prospectus. The aggregate remuneration and material benefits in-kind paid (including any contingent or deferred remuneration) or proposed to be paid to our Key Senior Management for services rendered in all capacities to our Group for the FYE 2022 and 2023 are as follows:

Key Senior Management	Remuneration band (FYE)	
	2023 (Paid)	2024 (Proposed)
	RM'000	RM'000
Loke Weng Han	1,900 – 1,950	1,900 – 1,950
Chung Yook Tong	1,000 – 1,050	1,000 – 1,050
Khor Chin Joo	350 – 400	350 – 400

The above remuneration of our Key Senior Management, which includes salaries, bonus, fees and allowances as well as other benefits, must be considered and recommended by our Nomination and Remuneration Committee and subsequently approved by our Board.

9.4 ASSOCIATIONS OR FAMILY RELATIONSHIP BETWEEN OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

Save as disclosed below, there are no associations or family relationships between our Promoters, substantial shareholders, Directors and Key Senior Management:

- (i) Dato' Lee Soon Hian, our Promoter and substantial shareholder, is:
 - father of Lee Yan Ling, who is our Non-Independent Non-Executive Director; and
 - sibling of Lee Oi Loon, who is our substantial shareholder.
- (ii) Lee Yan Ling, our Non-Independent Non-Executive Director, is:
 - daughter of Dato' Lee Soon Hian, who is our Promoter and substantial shareholder; and
 - niece of Lee Oi Loon, who is our substantial shareholder.
- (iii) Lee Oi Loon, our substantial shareholder, is:
 - sibling of Dato' Lee Soon Hian, who is our Promoter and substantial shareholder; and
 - aunt of Lee Yan Ling, who is our Non-Independent Non-Executive Director.
- (iv) Leong Chao Seong, who is our Non-Independent Executive Director and Deputy Chairman, is the brother-in-law of Chung Yook Tong, our Marketing Director.
- (v) Chung Yook Tong, who is our Marketing Director, is the brother-in-law of Leong Chao Seong, our Non-Independent Executive Director and Deputy Chairman.

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.5 DECLARATION BY OUR PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, none of our Promoters, Directors or Key Senior Management has been involved in any of following events (whether in 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;
- (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 his 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 his part that relates to the capital market;
- (vi) the subject of any order, judgment or ruling of any court, government or regulatory authority or body temporarily enjoining such person from engaging in any type of business practice or activity;
- (vii) in the last 10 years, has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; or
- (viii) there is any unsatisfied judgment against such person.

9.6 OTHER MATTERS

No amounts have been paid or benefits given or are intended to be paid or given to our Promoters or our substantial shareholders within the two years preceding the date of this Prospectus except for the following:

- (i) remunerations and benefits-in-kind arising from employment paid to our substantial shareholders as set out in Section 9.2.5 of this Prospectus; and
- (ii) dividend paid to our substantial shareholders.

Save as disclosed in Section 9.1 of this Prospectus, there is no other controlling shareholder. There is no arrangement which operation may result in the change in control of our Company at a date subsequent to our IPO and our Listing.

Our Promoters and substantial shareholders do not have different voting rights from our other shareholders.

10. RELATED PARTY TRANSACTIONS

10.1 OUR GROUP'S RELATED PARTY TRANSACTIONS

10.1.1 Material related party transactions

Save as disclosed below, there are no other material related party transactions entered into by our Group which involve the interest, direct or indirect, of our Directors, major shareholders and/or persons connected to them for the Periods Under Review and up to the LPD:

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE			FPE	1 July 2024 up to the LPD
				2021	2022	2023	2024	RM'000
				RM'000	RM'000	RM'000	RM'000	RM'000
1.	Our Group and TMKS	<p>Interested Major Shareholder</p> <ul style="list-style-type: none"> Dato' Lee Soon Hian <p>Interested Major Shareholder and Director</p> <ul style="list-style-type: none"> Leong Chao Seong <p>Interested Directors</p> <ul style="list-style-type: none"> Wong Kin Wah Lee Yan Ling 	<p>Office rental payable by our Group to TMKS</p> <p>See Notes (1)(b) for the details of the rental period</p> <p>Acquisition of the assets of TMKS by our Group</p> <p>See Note (1)(a) for further details of the relationship with our Directors, major shareholders and/or persons connected to them.</p> <p>See Note (1)(c) for the details of this transaction</p>	311	322	342	238	158
				Represents 1.11% of our Group's general and administrative expenses	Represents 0.86% of our Group's general and administrative expenses	Represents 0.74% of our Group's general and administrative expenses	Represents 0.85% of our Group's general and administrative expenses	Represents 0.71% of our Group's general and administrative expenses
				-	-	17,097	-	-
						Represents 3.27% of our Group's net assets		
2.	Our Group and Baypark Holdings Group (Baypark Holdings Sdn Bhd, Botanics Recreational and Nastah Industries Sdn Bhd are collectively "Baypark Holdings Group")	<p>Interested Major Shareholder</p> <ul style="list-style-type: none"> Dato' Lee Soon Hian <p>Interested Major Shareholder and Director</p> <ul style="list-style-type: none"> Leong Chao Seong 	<p>The acquisition of Botanics Recreational from Baypark Holdings Sdn Bhd, Leong Chao Seong and Wong Kin Wah by our Group</p> <p>See Note (13) for the details of this transaction</p> <p>(see Note (13) for further details of the relationship with our Director)</p>	-	-	5,972	-	-
						Represents 1.14% of our Group's net assets		

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE			FPE	1 July 2024 up to the LPD
				2021	2022	2023	2024	RM'000
				RM'000	RM'000	RM'000	RM'000	RM'000
			Sale of liquid chlorine and nitric acid from our Group to Nastah Industries Sdn Bhd	5	7	29	38	31
		Interested Directors						
		<ul style="list-style-type: none"> Wong Kin Wah (see Note (13) for further details of the relationship with our Director) 		Negligible contribution to our Group's revenue	Negligible contribution to our Group's revenue	Negligible contribution to our Group's revenue	Represents 0.01% of our Group's revenue	Represents 0.01% of our Group's revenue
		<ul style="list-style-type: none"> Lee Yan Ling 						
		See Note (2) for further details of the relationship with our Directors, major shareholders and/or persons connected to them.						
3.	Our Group and RBL Resources Sdn Bhd	Interested Major Shareholder and Director	Document storage warehouses rental payable by our Group to RBL Resources Sdn Bhd	20	20	20	10	5
		<ul style="list-style-type: none"> Leong Chao Seong 		Represents 0.07% of our Group's general and administrative expenses	Represents 0.05% of our Group's general and administrative expenses	Represents 0.04% of our Group's general and administrative expenses	Represents 0.04% of our Group's general and administrative expenses	Represents 0.02% of our Group's general and administrative expenses
		Interested Director						
		<ul style="list-style-type: none"> Wong Kin Wah 	See Notes (3)(b) for details of the rental period					
		See Note (3)(a) for further details of the relationship with our Directors, major shareholder and/or persons connected to them.						
4.	Our Group and Taiko Development Corporation Sdn Bhd	Interested Major Shareholder	Car park rental payable by our Group to Taiko Development Corporation Sdn Bhd	3	3	4	5	3
		<ul style="list-style-type: none"> Dato' Lee Soon Hian 		Represents 0.01% of our Group's selling and distribution expenses	Represents 0.01% of our Group's selling and distribution expenses	Represents 0.01% of our Group's selling and distribution expenses	Represents 0.02% of our Group's selling and distribution expenses	Represents 0.02% of our Group's selling and distribution expenses
		Interested Director						
		<ul style="list-style-type: none"> Lee Yan Ling 	See Note 4(b) for the details of the rental period					

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE			FPE	1 July 2024 up to the LPD
				2021	2022	2023	2024	RM'000
				RM'000	RM'000	RM'000	RM'000	RM'000
			See Note (4)(a) for further details of the relationship with our Directors, major shareholder and/or persons connected to them.					
5.	Our Group and Batu Kawan Group (Batu Kawan Berhad, Kuala Lumpur Kepong Berhad, KL-Kepong Oleomas Sdn Bhd, CCM Polymers Sdn Bhd, Malay-Sino Chemical Industries Sdn Bhd, Palm-Oleo Sdn Bhd, Palm-Oleo (Klang) Sdn Bhd, KSP Manufacturing Sdn Bhd, Circular Agency Sdn Bhd, Malay-Sino Agro-Chemical Products Sdn Bhd, North-South Transport Sdn	Interested Major Shareholder • Dato' Lee Soon Hian Interested Director • Lee Yan Ling See Note (5) for further details of the relationship with our KLK Bioenergy Directors, major shareholders Sdn Bhd, See Sen and/or persons connected to Chemical Berhad, them.	Sale of atomic sulphur and sulphur powder from our Group to Kuala Lumpur Kepong Berhad	35	124	27	-	-
				Negligible contribution to our Group's revenue	Represents 0.01% of our Group's revenue	Negligible contribution to our Group's revenue		
			Sale of caustic soda liquid, hydrogen peroxide, phosphoric acid, and sodium methylate from our Group to KL-Kepong Oleomas Sdn Bhd with the relevant associated charges	4,692	8,867	6,970	1,785	1,255
				Represents 0.42% of our Group's revenue	Represents 0.60% of our Group's revenue	Represents 0.53% of our Group's revenue	Represents 0.27% of our Group's revenue	Represents 0.32% of our Group's revenue
			Purchase of oleochemical products by our Group from KL-Kepong Oleomas Sdn Bhd	340	54	-	-	-
				Represents 0.04% of our Group's cost of sales	Negligible contribution to our Group's cost of sales			

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE			FPE	1 July 2024 up to the LPD
				2021	2022	2023	2024	
				RM'000	RM'000	RM'000	RM'000	RM'000
	Bhd, KL-Kepong Edible Oils Sdn Bhd, Synthomer Sdn Bhd, Stolthaven (Westport) Sdn Bhd, KL-Kepong Rubber Products Sdn Bhd and Palmamide Sdn Bhd are collectively "Batu Kawan Group")		Sale of caustic soda liquid , hydrochloric acid , phosphoric acid and sodium methylate from our Group to KLK Bioenergy Sdn Bhd with the relevant associated charges	273	1,353	220	62	13
				Represents 0.02% of our Group's revenue	Represents 0.09% of our Group's revenue	Represents 0.02% of our Group's revenue	Represents 0.01% of our Group's revenue	Negligible contribution to our Group's revenue
			Sale of soda ash dense sulphur, sulphuric acid from our Group to See Sen Chemical Berhad with the relevant associated demurrage charges	6,715	12,000	5,808	1,878	1,396
				Represents 0.60% of our Group's revenue	Represents 0.81% of our Group's revenue	Represents 0.44% of our Group's revenue	Represents 0.28% of our Group's revenue	Represents 0.35% of our Group's revenue
			Purchase of atomic sulphur, aluminium sulphate, aluminium sulphate liquid, sodium silicate, sulphuric acid by our Group from See Sen Chemical Berhad with the relevant associated charges	48,356	53,995	48,427	24,013	16,243
				Represents 5.27% of our Group's cost of sales	Represents 4.41% of our Group's cost of sales	Represents 4.42% of our Group's cost of sales	Represents 4.42% of our Group's cost of sales	Represents 4.87% of our Group's cost of sales
			Tank rental for the transfer of chemical products payable by our Group to See Sen Chemical Berhad	-	4	-	-	-
					Negligible contribution to of our Group's cost of sales			
			Sale of caustic soda liquid, hydrochloric acid, nitric acid, and solar salt from our Group to CCM Chemicals Sdn Bhd with the relevant associated charges	34,734	38,386	26,764	8,757	5,183
				Represents 3.08% of our Group's revenue	Represents 2.59% of our Group's revenue	Represents 2.05% of our Group's revenue	Represents 1.33% of our Group's revenue	Represents 1.30% of our Group's revenue

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE			FPE	1 July 2024 up to the LPD
				2021	2022	2023	2024	
				RM'000	RM'000	RM'000	RM'000	RM'000
			Purchase of caustic soda liquid, chlorine, hydrochloric acid, liquid chlorine, nitric acid, sodium hypochlorite by our Group from CCM Chemicals Sdn Bhd with the relevant associated charges	24,235	25,577	27,608	12,797	8,011
				Represents 2.64% of our Group's cost of sales	Represents 2.09% of our Group's cost of sales	Represents 2.52% of our Group's cost of sales	Represents 2.36% of our Group's cost of sales	Represents 2.40% of our Group's cost of sales
			Sale of caustic soda liquid, sodium hypochlorite and sodium metasilicate pentahydrate from our Group to CCM Polymers Sdn Bhd	248	325	649	144	-
				Represents 0.02% of our Group's revenue	Represents 0.02% of our Group's revenue	Represents 0.05% of our Group's revenue	Represents 0.02% of our Group's revenue	Negligible contribution to our Group's revenue
			Sale of soda ash dense, sodium sulphite, and solar salt from our Group to Malay-Sino Chemical Industries Sdn Bhd with the relevant associated charges and commission fees	22,112	29,613	23,672	433	148
				Represents 1.96% of our Group's revenue	Represents 2.00% of our Group's revenue	Represents 1.81% of our Group's revenue	Represents 0.07% of our Group's revenue	Represents 0.04% of our Group's revenue
			Purchase of caustic soda liquid, ferric chloride, hydrochloric acid, liquid chlorine and sodium hypochlorite by our Group from Malay-Sino Chemical Industries Sdn Bhd with the relevant associated charges	185,274	225,088	158,221	65,963	32,560
				Represents 20.20% of our Group's cost of sales	Represents 18.40% of our Group's cost of sales	Represents 14.43% of our Group's cost of sales	Represents 12.15% of our Group's cost of sales	Represents 9.75% of our Group's cost of sales
			Payment of safety equipment by our Group to Malay-Sino Chemical Industries Sdn Bhd	32	56	8	-	-
				Negligible contribution to our Group's cost of sales	Negligible contribution to our Group's cost of sales	Negligible contribution to our Group's cost of sales		

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE			FPE	1 July 2024 up to the LPD
				2021	2022	2023	2024	RM'000
				RM'000	RM'000	RM'000	RM'000	RM'000
			Office rental payable by our Group to Malay-Sino Chemical Industries Sdn Bhd	1	-	-	-	-
			See Note (7) for the details of the rental period					
			Sale of caustic soda liquid and oleochemical products from our Group to Palm-Oleo Sdn Bhd with the relevant associated charges	8,618	11,032	8,709	3,274	420
				Represents 0.76% of our Group's revenue	Represents 0.74% of our Group's revenue	Represents 0.67% of our Group's revenue	Represents 0.50% of our Group's revenue	Represents 0.11% of our Group's revenue
			Purchase of oleochemicals by our Group from Palm-Oleo Sdn Bhd	13,860	14,373	12,329	4,060	2,384
				Represents 1.51% of our Group's cost of sales	Represents 1.17% of our Group's cost of sales	Represents 1.12% of our Group's cost of sales	Represents 0.75% of our Group's cost of sales	Represents 0.71% of our Group's cost of sales
			Sale of caustic soda liquid from our Group to Palm-Oleo (Klang) Sdn Bhd	4,781	12,414	10,616	3,177	1,058
				Represents 0.42% of our Group's revenue	Represents 0.84% of our Group's revenue	Represents 0.81% of our Group's revenue	Represents 0.48% of our Group's revenue	Represents 0.27% of our Group's revenue
			Purchase of oleochemical products by our Group from Palm-Oleo (Klang) Sdn Bhd	415	-	-	-	-
				Represents 0.05% of our Group's cost of sales				

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE			FPE	1 July 2024 up to the LPD
				2021	2022	2023	2024	
				RM'000	RM'000	RM'000	RM'000	RM'000
			Sale of sulphuric acid from our Group to Malay-Sino Agro-Chemical Products Sdn Bhd	93	130	70	39	23
				Represents 0.01% of our Group's revenue	Represents 0.01% of our Group's revenue	Represents 0.01% of our Group's revenue	Represents 0.01% of our Group's revenue	Represents 0.01% of our Group's revenue
			Sale of soda ash dense from our Group to KI-Kepong Edible Oils Sdn Bhd	<1	-	-	-	-
				Negligible contribution to our Group's revenue				
			Sale of potassium hydroxide and caustic soda liquid from our Group to Synthomer Sdn Bhd	345	959	4,166	2,403	1,296
				Represents 0.03% of our Group's revenue	Represents 0.06% of our Group's revenue	Represents 0.32% of our Group's revenue	Represents 0.36% of our Group's revenue	Represents 0.33% of our Group's revenue
			Sales of soda ash dense and used wooden pallet by our Group to Stolthaven (Westport) Sdn Bhd	44	206	-	-	-
				Negligible contribution to our Group's revenue	Represents 0.01% of our Group's revenue			
			Payment of palletising, overtime charges, storage charges and other relevant associated charges by our Group to Stolthaven (Westport) Sdn Bhd	858	959	919	548	145
				Represents 0.09% of our Group's cost of sales	Represents 0.08% of our Group's cost of sales	Represents 0.08% of our Group's cost of sales	Represents 0.10% of our Group's cost of sales	Represents 0.04% of our Group's cost of sales

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE			FPE	1 July 2024 up to the LPD
				2021	2022	2023	2024	RM'000
				RM'000	RM'000	RM'000	RM'000	RM'000
			Equipment rental and office rental payable by our Group to Stolthaven (Westport) Sdn Bhd	24	26	26	18	8
			See Notes (8) & (9) for the details of the rental period	Represents 0.08% of our Group's general administrative and expenses	Represents 0.07% of our Group's general administrative and expenses	Represents 0.06% of our Group's general administrative and expenses	Represents 0.07% of our Group's general administrative and expenses	Represents 0.03% of our Group's general administrative and expenses
			Storage tank rental payable by our Group to Stolthaven (Westport) Sdn Bhd	3,329	3,532	3,582	1,814	933
			See Notes (10)(a) & (b) for the salient terms of the terminal services agreement between our Group and Stolthaven (Westport) Sdn Bhd	Represents 0.36% of our Group's cost of sales	Represents 0.29% of our Group's cost of sales	Represents 0.33% of our Group's cost of sales	Represents 0.33% of our Group's cost of sales	Represents 0.28% of our Group's cost of sales
			Sale of calcium nitrate, caustic soda liquid and sodium thiosulphate from our Group to KL-Kepong Rubber Products Sdn Bhd with the relevant associated charges	348	436	379	444	343
			Payment of transport charges by our Group to Circular Agency Sdn Bhd	633	559	71	16	2
			Payment of transport charges and the relevant associated charges by North-South Transport Sdn Bhd to our Group	1	-	-	-	-
				Negligible contribution to our Group's revenue				

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE			FPE	1 July 2024 up to the LPD
				2021	2022	2023	2024	RM'000
				RM'000	RM'000	RM'000	RM'000	RM'000
			Payment of transport charges and the relevant associated charges by our Group to North-South Transport Sdn Bhd	576	358	66	17	4
				Represents 0.06% of our Group's cost of sales	Represents 0.03% of our Group's cost of sales	Represents 0.01% of our Group's cost of sales	Negligible contribution to our Group's cost of sales	Negligible contribution to our Group's cost of sales
6.	Our Group and Taiko Chemical Industries Group (Taiko Chemical Industries Sdn Bhd, Taiko Clay Marketing Sdn Bhd, Taiko Bleaching Earth Sdn Bhd, Taiko Acid Works Sdn Bhd, Taiko Alumina Sdn Bhd, Premier Bleaching Earth Sdn Bhd, Forsc Technology (M) Sdn Bhd, Taiko Drum Industries Sdn Bhd, Taiko Drum Industries Pte Ltd, Taiko Consultants Sdn Bhd and Taiko Chemical Industries Pte Ltd are collectively "Taiko Chemical Industries Group")	Interested Major Shareholder • Dato' Lee Soon Hian Interested Director • Lee Yan Ling See Note (6) for further details of the relationship with our Directors, major shareholders and/or persons connected to them.	Purchase of activated clay by our Group from Taiko Clay Marketing Sdn Bhd	-	39	-	-	-
					Negligible contribution to our Group's revenue			
			Sale of sodium hypochlorite from our Group to Taiko Bleaching Earth Sdn Bhd	<1	<1	-	-	-
				Negligible contribution to our Group's revenue	Negligible contribution to our Group's revenue			
			Sale of motor vehicle from our Group to Taiko Bleaching Earth Sdn Bhd	-	-	100	-	-
						Represents 0.02% of our Group's net assets		
			Purchase of raw sulphur, sulphur flake, sulphur powder, and miscellaneous item-non inventory by our Group from Taiko Bleaching Earth Sdn Bhd	5,756	4,239	3,572	1,644	991
				Represents 0.63% of our Group's cost of sales	Represents 0.35% of our Group's cost of sales	Represents 0.33% of our Group's cost of sales	Represents 0.30% of our Group's cost of sales	Represents 0.30% of our Group's cost of sales

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE			FPE	1 July 2024 up to the LPD
				2021	2022	2023	2024	
				RM'000	RM'000	RM'000	RM'000	RM'000
			Sales of caustic soda liquid by our Group to Taiko Acid Works Sdn Bhd with the relevant associated charges	596	1,083	442	1,501	88
				Represents 0.05% of our Group's revenue	Represents 0.07% of our Group's revenue	Represents 0.03% of our Group's revenue	Represents 0.23% of our Group's revenue	Represents 0.02% of our Group's revenue
			Purchase of sulphuric acid and molten sulphur liquid by our Group from Taiko Acid Works Sdn Bhd with the relevant associated charges	15,477	21,699	10,017	5,636	4,604
				Represents 1.69% of our Group's cost of sales	Represents 1.77% of our Group's cost of sales	Represents 0.91% of our Group's cost of sales	Represents 1.04% of our Group's cost of sales	Represents 1.38% of our Group's cost of sales
			Payment of storage and handling fee as well as transportation charges from Taiko Alumina Sdn Bhd to our Group	25	123	16	-	-
				Negligible contribution to our Group's revenue	Represents 0.01% of our Group's revenue	Negligible contribution to our Group's revenue		
			Purchase of liquid aluminium and aluminium sulphate by our Group from Taiko Alumina Sdn Bhd	7,714	6,708	3,121	-	-
				Represents 0.84% of our Group's cost of sales	Represents 0.55% of our Group's cost of sales	Represents 0.28% of our Group's cost of sales		
			Sale of caustic soda liquid payable by Premier Bleaching Earth Sdn Bhd to our Group with the relevant associated charges	28	67	1,319	96	504
				Negligible contribution to our Group's revenue	Negligible contribution to our Group's revenue	Represents 0.10% of our Group's revenue	Represents 0.01% of our Group's revenue	Represents 0.13% of our Group's revenue

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE			FPE	1 July 2024 up to the LPD
				2021	2022	2023	2024	
				RM'000	RM'000	RM'000	RM'000	RM'000
			Sales of IBC and transportation charges payable by Premier Bleaching Earth Sdn Bhd to our Group	<1	-	-	-	-
				Represents 0.02% of our Group's other operating income				
			Purchases of sulphuric acid by our Group from Premier Bleaching Earth Sdn Bhd	-	-	-	590	114
				Represents 0.11% of our Group's cost of sales				
				Represents 0.03% of our Group's cost of sales				
			Warehouses rental payable by our Group to Forsc Technology (M) Sdn Bhd	1,074	1,057	127	-	-
			See Note (11) for the details of the rental period	Represents 0.12% of our Group's cost of sales				
				Represents 0.09% of our Group's cost of sales				
				Represents 0.01% of our Group's cost of sales				
			Purchase of high-density polyethylene drum by our Group from Taiko Drum Industries Pte Ltd	24	8	23	14	12
				Negligible contribution to our Group's cost of sales				
				Negligible contribution to our Group's cost of sales				
				Negligible contribution to our Group's cost of sales				
				Negligible contribution to our Group's cost of sales				
				Negligible contribution to our Group's cost of sales				
			Purchase of high-density polyethylene drum by our Group from Taiko Drum Industries Sdn Bhd	3,703	4,038	5,012	2,598	1,101
				Represents 0.40% of our Group's cost of sales				
				Represents 0.33% of our Group's cost of sales				
				Represents 0.46% of our Group's cost of sales				
				Represents 0.48% of our Group's cost of sales				
				Represents 0.33% of our Group's cost of sales				

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE			FPE	1 July 2024 up to the LPD
				2021	2022	2023	2024	RM'000
				RM'000	RM'000	RM'000	RM'000	RM'000
			Purchase of safety equipment from Taiko Drum Industries Sdn Bhd	-	80	<1	-	-
					Represents 0.02% of our Group's net assets	Negligible contribution to our Group's net assets		
			Payment of management fees by our Group to Taiko Consultants Sdn Bhd	1,281	1,270	1,121	-	-
			See Note (17) for the details of the management fees	Represents 4.55% of our Group's general and administrative expenses	Represents 3.41% of our Group's general and administrative expenses	Represents 2.43% of our Group's general and administrative expenses		
			Office rental payable by our Group to Taiko Consultants Sdn Bhd	10	13	58	18	12
			See Note (12) for the details of the rental period	Represents 0.04% of our Group's general and administrative expenses	Represents 0.04% of our Group's general and administrative expenses	Represents 0.13% of our Group's general and administrative expenses	Represents 0.07% of our Group's general and administrative expenses	Represents 0.05% of our Group's general and administrative expenses
			Purchase of computer equipment by our Group from the Taiko Consultants Sdn Bhd	-	-	77	-	-
						Represents 0.01% of our net assets		
			Purchase of activated bleaching earth by our Group from Taiko Chemical Industries Pte Ltd	-	2	-	-	-
					Negligible contribution to our Group's cost of sales			

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE			FPE	1 July 2024 up to the LPD
				2021	2022	2023	2024	
				RM'000	RM'000	RM'000	RM'000	RM'000
			Payment of other expenses by our Group to Taiko Chemical Industries Pte Ltd	-	<1	-	-	-
					Negligible contribution to our Group's general and administrative expenses			
			Disposal of investment in Taiko Consultants Sdn Bhd by our Group to Taiko Clay Chemicals Sdn Bhd	-	-	792	-	-
			See Note (14) for details of this transaction			Represents 0.15% of our Group's net assets		
7.	Our Group and Shareholders of Chlor-Al (Dato' Lee Soon Hian, Lee Hong Zhang, Lee Sen Zhang, Lee Tian Zhang, Lee Yan Ling, Lee Oi Loon, Leong Chao Seong, Wong Kin Wah and Loke Weng Han collectively "Shareholders of Chlor-Al")	Interested Major Shareholders ● Dato' Lee Soon Hian, Interested Major Shareholder and Director ● Lee Sen Zhang, ● Leong Chao Seong, ● Lee Tian Zhang, ● Lee Yan Ling, ● Lee Oi Loon, ● Leong Chao Seong, ● Lee Yan Ling, ● Wong Kin Wah and ● Loke Weng Han are details of the relationship with our Directors, major shareholders and/or persons connected to them.	Acquisition of Chlor-Al by our Group from the Shareholders of Chlor-Al	-	-	-	697,900	-
			See Note (15)(b) for the details of this transaction				Represents 234.6% of our Group's net assets	

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	FYE			FPE	1 July 2024 up to the LPD
				2021	2022	2023	2024	
				RM'000	RM'000	RM'000	RM'000	RM'000
8.	Our Group and RCL Industrial Products Pte Ltd	Interested Major Shareholder <ul style="list-style-type: none"> Dato' Lee Soon Hian Interested Major Shareholder and Director <ul style="list-style-type: none"> Leong Chao Seong Interested Directors <ul style="list-style-type: none"> Wong Kin Wah Lee Yan Ling 	Purchase of caustic soda liquid by our Group from RCL Industrial Products Pte Ltd with the relevant associated demurrage charges	1,257	36,773	1,124	5,217	4,899
				Represents 0.14% of our Group's cost of sales	Represents 3.01% of our Group's cost of sales	Represents 0.10% of our Group's cost of sales	Represents 0.96% of our Group's cost of sales	Represents 1.47% of our Group's cost of sales
		See Note (16) for further details of the relationship with our Directors, major shareholders and/or persons connected to them.						

Notes:(1) *TMKS*

(a) *Dato' Lee Soon Hian is our major shareholder. Leong Chao Seong is our major shareholder, Non-Independent Executive Director and Deputy Chairman. Wong Kin Wah is our Non-Independent Executive Director and Managing Director. The equity interest in TMKS is 78.0% held by Torsgate, 16.0% held by Leong Chao Seong and 6.0% held by Wong Kin Wah. Torsgate's equity interest is 89.5% held by Stafford, whose major shareholders are Dato' Lee Soon Hian and Lee Yan Ling, each holding 40.0% and 15.0%, respectively. Lee Yan Ling, our Non-Independent Non Executive Director, and Leong Chao Seong are also the directors of TMKS. Lee Yan Ling is also the daughter of Dato' Lee Soon Hian.*

(b) *The salient terms of the agreements between our Group and TMKS are as follows:*

- (i) *in respect of the tenancy agreement dated 1 November 2022 between TMKS and Chlor-Al for the rental of the premise at Attic Floor of No.73B Neil Road Singapore 088901, the tenure of the tenancy is thirty-six (36) months from 1 November 2022 to 31 October 2025 at a monthly rental rate of S\$1,200; and*
- (ii) *in respect of the tenancy agreement dated 1 November 2022 between TMKS and Chlor-Al for the rental of the premise at No. 75B Neil Road Singapore 088902, the tenure of the tenancy is thirty-six (36) months from 1 November 2022 to 31 October 2025 at a monthly rental rate of S\$7,200.*

10. RELATED PARTY TRANSACTIONS (Cont'd)

(c) *This refers to the acquisition of certain assets of TMKS as set out in the Business Transfer Deed by Chlor-AI and it is part of a restructuring exercise undertaken prior to our Listing. The consideration of USD 3,744,715 (approximately RM16,851,000 based on the exchange rate of USD 1.0:RM4.5) for the said acquisition was arrived at based on the valuation of the fixed assets based on net value as at 31 August 2023 and valuation of the inventories at net realisable value as at 1st week of September 2023. For the salient terms of this transaction, see Section 14.6.5 of this Prospectus.*

(2) Baypark Holdings Sdn Bhd

Dato' Lee Soon Hian is our major shareholder. Dato' Lee Soon Hian is also the director and major shareholder of Baypark Holdings Sdn Bhd, holding 40.0% equity interest. Lee Hong Zhang, Lee Tian Zhang, Lee Yan Ling and Lee Sen Zhang are the directors and the major shareholders of Baypark Holdings Sdn Bhd each holding 15.0% equity interest.

Lee Hong Zhang, Lee Tian Zhang and Lee Sen Zhang are the brothers of Lee Yan Ling as well as the sons of Dato' Lee Soon Hian. Lee Yan Ling, our Non-Independent Non-Executive Director, is also the daughter of Dato' Lee Soon Hian.

(a) Nastah Industries Sdn Bhd

Baypark Holdings Sdn Bhd holds 55.8% equity interest in Nastah Industries Sdn Bhd. Lee Hong Zhang is the director of Nastah Industries Sdn Bhd.

(3) RBL Resources Sdn Bhd

(a) *Leong Chao Seong is our major shareholder, Non-Independent Executive Director and Deputy Chairman. Wong Kin Wah is our Non-Independent Executive Director and Managing Director. Leong Chao Seong and Wong Kin Wah are the shareholders of RBL Resources Sdn Bhd, each holding 33.3% equity interest. Wong Kin Wah is also the director of RBL Resources Sdn Bhd.*

(b) *The rental period of the tenancy expired on 30 September 2024 and our Group does not intend to renew this tenancy.*

(4) Taiko Development Corporation Sdn Bhd

(a) *Dato' Lee Soon Hian is our major shareholder and the sole shareholder of Taiko Development Corporation Sdn Bhd. Lee Tian Zhang is the director of Taiko Development Corporation Sdn Bhd. Lee Tian Zhang is the brother of Lee Yan Ling and the son of Dato' Lee Soon Hian. Lee Yan Ling, our Non-Executive and Non-Independent Director, is the daughter of Dato' Lee Soon Hian.*

(b) *The salient term of the car park rental agreement dated 1 February 2021 (as amended by the 1st joint letter dated 1 February 2021 and 2nd joint letter dated 19 January 2024) between TMK and Taiko Development Corporation Sdn Bhd for the right to use the parking bays located on a portion of land held under Geran 60183 Lot 4380S, Bandar Ipoh (S), District of Kinta, Perak, is that the tenure will commence on 1 February 2021 and will continue to be in force for as long as TMK remains as the sub-tenant of Menara Taiko with a monthly rental rate of RM120 for each parking bay. The number of parking bays allocated for TMK's use under this agreement will be determined by Taiko Development Corporation Sdn Bhd on a monthly basis taking into consideration of the headcount of the TMK's employees including nominated persons who use the said parking bays.*

10. RELATED PARTY TRANSACTIONS (Cont'd)

(5) *Batu Kawan Berhad*

Tan Sri Dato' Seri Lee Oi Hian and Dato' Lee Hau Hian are the directors and substantial shareholders of Batu Kawan Berhad. Lee Oi Loon holds 0.4% equity interest in Batu Kawan Berhad. Tan Sri Dato' Seri Lee Oi Hian and Dato' Lee Hau Hian are the brothers of Dato' Lee Soon Hian and uncles of Lee Yan Ling, our Non-Independent Non-Executive Director and Lee Oi Loon is the sister of Dato' Lee Soon Hian and aunt of Lee Yan Ling.

(a) *Kuala Lumpur Kepong Berhad*

Batu Kawan Berhad holds 47.7% equity interest in Kuala Lumpur Kepong Berhad. Tan Sri Dato' Seri Lee Oi Hian and Dato' Lee Hau Hian are the directors and substantial shareholders of Kuala Lumpur Kepong Berhad.

(b) *KL-Kepong Oleomas Sdn Bhd*

Kuala Lumpur Kepong Berhad holds 96.0% equity interest in KL-Kepong Oleomas Sdn Bhd. Tan Sri Lee Oi Hian is a director of KL-Kepong Oleomas Sdn Bhd.

(c) *KLK Bioenergy Sdn Bhd*

KLK Bioenergy Sdn Bhd is a wholly-owned subsidiary of KL-Kepong Oleomas Sdn Bhd.

(d) *See Sen Chemical Berhad*

Batu Kawan Berhad holds 61.4% equity interest in See Sen Chemical Berhad. Dato' Lee Hau Hian is a director of See Sen Chemical Berhad.

(e) *CCM Chemicals Sdn Bhd*

Chemical Company of Malaysia Berhad holds 100.0% equity interest (80.0% via its wholly-owned subsidiary, CCM Usaha Kimia (M) Sdn Bhd) in CCM Chemicals Sdn Bhd. Chemical Company of Malaysia Berhad is a subsidiary of Batu Kawan Berhad.

Dato' Lee Hau Hian is the director of CCM Chemicals Sdn Bhd and Chemical Company of Malaysia Berhad.

(f) *CCM Polymers Sdn Bhd*

CCM Polymers Sdn Bhd is the subsidiary of CCM Usaha Kimia (M) Sdn Bhd.

(g) *Malay-Sino Chemical Industries Sdn Bhd*

Chemical Company of Malaysia Berhad holds 98.8% equity interest in Malay-Sino Chemical Industries Sdn Bhd. Dato' Lee Hau Hian is the director of Malay-Sino Chemical Industries Sdn Bhd. Chemical Company of Malaysia Berhad is a subsidiary of Batu Kawan Berhad.

10. RELATED PARTY TRANSACTIONS (Cont'd)

(h) *Palm-Oleo Sdn Bhd*

KL-Kepong Industrial Holdings Sdn Bhd, which is a wholly-owned subsidiary of Kuala Lumpur Kepong Berhad, holds 79.8% equity interest in Palm-Oleo Sdn Bhd.

(i) *Palm-Oleo (Klang) Sdn Bhd, KSP Manufacturing Sdn Bhd and Palmamide Sdn Bhd*

KL-Kepong Industrial Holdings Sdn Bhd, which is a wholly-owned subsidiary of Kuala Lumpur Kepong Berhad, holds 79.8% equity interest in each of Palm-Oleo (Klang) Sdn Bhd, KSP Manufacturing Sdn Bhd and Palmamide Sdn Bhd.

(j) *Circular Agency Sdn Bhd and Malay-Sino Agro-Chemical Products Sdn Bhd*

Circular Agency Sdn Bhd and Malay-Sino Agro-Chemical Products Sdn Bhd are the wholly-owned subsidiaries of Malay-Sino Chemical Industries Sdn Bhd. Dato' Lee Hau Hian is the director of Malay-Sino Agro-Chemical Products Sdn Bhd.

(k) *North-South Transport Sdn Bhd*

North-South Transport Sdn Bhd is a wholly-owned subsidiary of Circular Agency Sdn Bhd.

(l) *KL-Kepong Edible Oils Sdn Bhd*

KL-Kepong Edible Oils Sdn Bhd is a wholly-owned subsidiary of Kuala Lumpur Kepong Berhad.

(m) *Synthomer Sdn Bhd*

Synthomer Sdn Bhd is the wholly-owned subsidiary of Synthomer Plc, which itself is an associated company of Kuala Lumpur Kepong Berhad. Dato' Lee Hau Hian is also the director of Synthomer Plc.

(n) *Stolthaven (Westport) Sdn Bhd*

Kuala Lumpur Kepong Berhad holds 51.0% equity interest in Stolthaven (Westport) Sdn Bhd.

(o) *KL-Kepong Rubber Products Sdn Bhd*

KL-Kepong Rubber Products Sdn Bhd is a wholly-owned subsidiary of KL-Kepong Industrial Holdings Sdn Bhd, which itself is a wholly-owned subsidiary of Kuala Lumpur Kepong Berhad.

10. RELATED PARTY TRANSACTIONS (Cont'd)*(6) Taiko Chemical Industries Sdn Bhd*

Dato' Lee Soon Hian is our major shareholder. Dato' Lee Soon Hian is also the director and the major shareholder of Taiko Chemical Industries Sdn Bhd, holding 87.5% equity interest. Lee Hong Zhang is also the director of Taiko Chemical Industries Sdn Bhd and the son of Dato' Lee Soon Hian. Lee Yan Ling, our Non-Independent Non-Executive Director is the daughter of Dato' Lee Soon Hian and sister of Lee Hong Zhang.

(a) Taiko Clay Marketing Sdn Bhd

Taiko Clay Marketing Sdn Bhd is the wholly-owned subsidiary of Taiko Clay Chemicals Sdn Bhd, which equity interest, in turn, is 62.0% held by Taiko Chemical Industries Sdn Bhd. In addition, Lee Hong Zhang is a director of Taiko Clay Marketing Sdn Bhd. He, along with Dato' Lee Soon Hian and Dato' Lee Hau Hian, are also directors of Taiko Clay Chemicals Sdn Bhd. Dato' Lee Hau Hian is the brother of Dato' Lee Soon Hian and the uncle of Lee Yan Ling.

(b) Taiko Bleaching Earth Sdn Bhd, Taiko Acid Works Sdn Bhd and Taiko Alumina Sdn Bhd

Taiko Bleaching Earth Sdn Bhd, Taiko Acid Works Sdn Bhd, and Taiko Alumina Sdn Bhd are wholly-owned subsidiaries of Silver-Plus Corporation Sdn Bhd, which itself is a wholly-owned subsidiary of Taiko Clay Chemicals Sdn Bhd. Lee Hong Zhang is the director of Taiko Bleaching Earth Sdn Bhd, Taiko Acid Works Sdn Bhd and Taiko Alumina Sdn Bhd and Silver-Plus Corporation Sdn Bhd.

(c) Premier Bleaching Earth Sdn Bhd

Premier Bleaching Earth Sdn Bhd is a wholly-owned subsidiary of Taiko Clay Chemicals Sdn Bhd. Lee Hong Zhang is the director of Premier Bleaching Earth Sdn Bhd.

(d) Forsc Technology (M) Sdn Bhd

Forsc Technology (M) Sdn Bhd is a wholly-owned subsidiary of Premier Bleaching Earth Sdn Bhd Lee Hong Zhang is the director of Forsc Technology (M) Sdn Bhd.

(e) Taiko Drum Industries Sdn Bhd

Taiko Drum Industries Sdn Bhd is a wholly-owned subsidiary of Taiko Plastic Industries Sdn Bhd, which itself is a wholly-owned subsidiary of Paragon Yield Sdn Bhd. Taiko Chemical Industries Sdn Bhd holds 62.0% equity interest in Paragon Yield Sdn Bhd. Lee Sen Zhang is the director of Taiko Drum Industries Sdn Bhd and Taiko Plastic Industries Sdn Bhd. He, along with Dato' Lee Soon Hian are also the directors of Paragon Yield Sdn Bhd.

(f) Taiko Drum Industries Pte Ltd

Taiko Drum Industries Pte Ltd is a wholly-owned subsidiary of Paragon Yield Sdn Bhd. Lee Yan Ling is also the director of Taiko Drum Industries Pte Ltd.

10. RELATED PARTY TRANSACTIONS (Cont'd)*(g) Taiko Consultants Sdn Bhd*

Taiko Consultants Sdn Bhd is a wholly-owned subsidiary of Taiko Clay Chemicals Sdn Bhd. Lee Hong Zhang is the director of Taiko Consultants Sdn Bhd.

(h) Taiko Chemical Industries Pte Ltd

Taiko Chemical Industries Pte Ltd is the wholly-owned subsidiary of Taiko Clay Chemicals Sdn Bhd. Dato' Lee Soon Hian and Lee Yan Ling are also the directors of Taiko Chemical Industries Pte Ltd.

(7) The tenancy is no longer subsisting.

(8) The rental of the equipment expired on 30 June 2024 and our Group does not intend to renew this rental.

(9) The rental of the office expires on 30 November 2024 and our Group does not intend to renew this rental.

(10) The salient terms of the agreements between our Group and Stolthaven (Westport) Sdn Bhd are as follows:

(a) in respect of the terminal services agreement dated 1 October 2022 between Stolthaven (Westport) Sdn Bhd and TMK for rental of storage for caustic soda, the tenure of the agreement is two (2) years commencing from 1 October 2022 to 30 September 2024. The monthly rental rate is RM135,000 from 1 October 2022 to 30 September 2023 and RM140,625 from 1 October 2023 to 30 September 2024. Our Group does not intend to renew this rental. The parties to this agreement have the right to terminate this agreement by giving 90 days' advance notice of termination to the other party. Additionally, if TMK elects to terminate the agreement early, TMK must pay an early termination fee equivalent to the applicable tank rental charge pursuant to this agreement for the remaining period of the agreement. If Stolthaven (Westport) Sdn Bhd elects to terminate this agreement early, it must indemnify TMK against all costs, expenses, losses, and damages arising from the early termination, including costs associated with removing the products and sourcing alternative facilities and difference (if any) between the current rental rate and the alternative facilities rental rate for the remaining period of this agreement. Furthermore, both parties have the right to terminate the agreement immediately upon the occurrence of specific events such as material breach of contract or fraud, subject to the terms and conditions of this agreement; and

(b) in respect of the terminal services agreement dated 1 July 2024 between Stolthaven (Westport) Sdn Bhd and TMK for rental of storage for nitric acid, the tenure of the agreement is three (3) years commencing from 1 July 2024 to 30 June 2027 for Tank 207S, and one (1) year commencing from 1 July 2024 to 30 June 2025 for Tank 107S, 108S, 206S & 117S. TMK has the option to renew the rental of Tank 107S, 108S, 206S and 117S after its expiry. The monthly rental rate depends on the volume of nitric acid stored in the tanks. Based on the tank capacity, the monthly rental rate for Tank 207S is up to RM68,250.00 for the first year, up to RM71,500.00 for the second year and up to RM74,750.00 for the third year, the monthly rental rate for Tank 107S, 108S and 206S is up to RM22,000.00 and the monthly rental rate for Tank 117S is up to RM40,333.33. The parties to this agreement have the right to terminate this agreement by giving 90 days' advance notice of termination to the other party. Additionally, if TMK elects to terminate the agreement early, TMK must pay an early termination fee equivalent to the applicable tank rental charge pursuant to this agreement for the remaining period of this agreement. If Stolthaven (Westport) Sdn Bhd elects to terminate this agreement early, it must indemnify TMK against all costs, expenses, losses, and damages arising from the early termination, including costs associated with removing the products and sourcing alternative facilities and difference (if any) between the current rental rate and the alternative facilities rental rate for the remaining period of this agreement. Furthermore, both parties have the right to terminate the agreement immediately upon the occurrence of specific events such as material breach of contract or fraud, subject to the terms and conditions of this agreement.

10. RELATED PARTY TRANSACTIONS (Cont'd)

- (11) *The tenancy was terminated by our Group on 7 February 2023.*
- (12) *The rental period of the tenancy expires on 31 December 2024 and our Group intends to renew this tenancy.*
- (13) *Leong Chao Seong is our major shareholder, Non-Independent Executive Director and Deputy Chairman. Wong Kin Wah is our Non-Independent Executive Director and Managing Director. The acquisition of Botanics Recreational from Baypark Holdings Sdn Bhd, Leong Chao Seong and Wong Kin Wah by our Group is part of a reorganisation exercise undertaken prior to our Listing. The consideration of RM5,972,100.00 for the said acquisition was based on the third-party valuation report and net tangible assets. For the salient terms of this transaction, see Section 14.6.2 of this Prospectus.*
- (14) *The disposal of investment in Taiko Consultants Sdn Bhd to Taiko Clay Chemicals Sdn Bhd by our Group. The consideration of RM791,800.00 for the said disposal was arrived at based on the net tangible assets of Taiko Consultants Sdn Bhd.*
- (15) *Acquisition*
- (a) *Dato' Lee Soon Hian is our major shareholder. Leong Chao Seong is our major shareholder, Non-Independent Executive Director and Deputy Chairman. Wong Kin Wah is our Non-Independent Executive Director and Managing Director. Lee Yan Ling is our Non-Independent Non-Executive Director. Leong Chao Seong and Lee Yan Ling are also the directors of Chlor-Al. Lee Oi Loon is Dato' Lee Soon Hian's sister and Lee Yan Ling is Dato' Lee Soon Hian's daughter. Lee Hong Zhang, Lee Sen Zhang and Lee Tian Zhang are the sons of Dato' Lee Soon Hian and brothers of Lee Yan Ling.*
- (b) *This acquisition of Chlor-Al from the Shareholders of Chlor-Alby TMK is part of a restructuring exercise undertaken prior to our Listing. The consideration of RM697,900,000 for the said acquisition was arrived at on a willing buyer-willing seller basis based on a PE ratio of 10.8 times against the historical average PAT as stated in the audited financial statements of Chlor-Al, Island Transport and TMK Dai Hung for the FYEs 2020, 2021, 2022 and the unaudited financial statements for the 6-month FPE 30 June 2023. For the salient terms of this transaction, see Sections 14.6.3 and 14.6.4 of this Prospectus.*
- (16) *RCL Industrial Products Pte Ltd*
- Dato' Lee Soon Hian is our major shareholder. Leong Chao Seong is our major shareholder, Non-Independent Executive Director and Deputy Chairman. Wong Kin Wah is our Non-Independent Executive Director and Managing Director. RCL Industrial Products Pte Ltd's equity interest is 20.0% held by Austen Pacific Ltd, which equity interest is 78.0% held by Torgate. Torgate's equity interest is 89.5% held by Stafford, whose major shareholders are Dato' Lee Soon Hian and Lee Yan Ling, each holding 40.0% and 15.0% respectively.*
- Leong Chao Seong and Wong Kin Wah hold 16.0% and 6.0% equity interest in Austen Pacific Ltd respectively. Lee Oi Loon holds 10.47% equity interest in Torgate. Lee Oi Loon is Dato' Lee Soon Hian's sister and Lee Yan Ling is Dato' Lee Soon Hian's daughter.*
- (17) *The management fees were charged based on the management functions provided by Taiko Consultants Sdn Bhd to our Group, which cover the sharing of costs incurred in respect of head office expenses, human resources, accounting, legal, corporate finance, information technology, transfer pricing and other general tax-related matters. These management functions provided by Taiko Consultants Sdn Bhd ceased in September 2023 following the completion of the disposal of this company by our Group on 5 October 2023.*

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

As shown in the table, we have entered into multiple tenancy agreements with the related parties of our Group to rent properties for our Group's operations. After having considered the basis of arriving at the respective rentals (which had taken into account the rental rates of comparable units located in the vicinity of the relevant property), our Directors are of the view that the tenancy agreements entered into by our Group with the related parties are transacted on arm's length basis and on normal commercial terms that are generally available to third parties. The renewal terms of such tenancy agreements will be reviewed by our Audit and Risk Committee and if we or the related parties revise and charge rental rate that are materially different than those that would be generally available to third parties, we have the option to relocate the operations in these properties to other places.

Our Directors confirm that all the above related party transactions were transacted on an arm's length basis and on normal commercial terms which were not more favourable to the related parties than those generally available to third parties and were not detrimental to our non-interested shareholders.

Our Directors also confirm that there are no other material related party transactions that have been entered by our Group that involve the interest, direct or indirect, of our Directors, major shareholders and/or persons connected to them but not yet effected up to the date of this Prospectus.

After our Listing, we will be required to seek our shareholders' approval each time we enter into a material related party transaction in accordance with the Listing Requirements. However, if the related party transactions can be deemed as recurrent related party transactions, we may seek a general mandate from our shareholders (which mandate would typically be renewed as required at each AGM of our Company) to enter into such recurrent related party transactions without having to seek separate shareholders' approval each time we wish to enter into such recurrent related party transactions during the validity period of the mandate.

In addition, to safeguard the interest of our Group and non-interested shareholders, and to mitigate any potential conflict of interest situation, our Audit and Risk Committee will, among others, supervise and monitor any recurrent related party transaction and the terms thereof and report to our Board for further action, as set out in Section 10.2.1 of this Prospectus.

10. RELATED PARTY TRANSACTIONS (Cont'd)**10.1.2 Related party transactions entered into that are unusual in their nature or conditions**

There are no transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets to which we were a party in respect of the Periods Under Review and up to the LPD.

10.1.3 Material outstanding loans and/or financial assistance (including guarantees of any kind)**(i) Material outstanding loans and/or financial assistance (including guarantees of any kind) made to or for the benefit of related parties**

There are no material outstanding loans or financial assistance (including guarantees of any kind) made by our Group to or for the benefit of our related parties in respect of the Periods Under Review and up to the LPD.

(ii) Material outstanding loans and/or financial assistance (including guarantees of any kind) made by related parties for the benefit of our Group

Save as disclosed below, there are no material outstanding loans or financial assistance (including guarantees of any kind) made by related parties for the benefit of our Group in respect of the Periods Under Review and up to the LPD.

Related party	Name of our subsidiary receiving the benefit	Nature of transaction and terms of the financial assistance	Amount outstanding as at the LPD
Interested Major Shareholder <ul style="list-style-type: none"> Dato' Lee Soon Hian Interested Director <ul style="list-style-type: none"> Lee Yan Ling <p>Dato' Lee Soon Hian and Lee Yan Ling are shareholders of Stafford, which holds an 89.5% equity interest in Torsgate. Lee Oi Loon, the sister of Dato' Lee Soon Hian and aunt of Lee Yan Ling, is a shareholder of Torsgate.</p>	Chlor-AI	Provision of a corporate guarantee of USD3,600,000 by Torsgate in favour of United Overseas Bank Limited, Singapore (" UOB SG ") in relation to: (a) banking facilities of USD3,000,000 granted to Chlor-AI to be used for among others, letters of credit, trust receipts, term bills and shipping guarantees; and (b) a foreign exchange line of credit of USD3,000,000	SGD885,139.48 (equivalent to RM2,917,065.67)
		Provision of a guarantee and indemnity of SGD26,660,000 by Torsgate in favour of Oversea-Chinese Banking Corporation Limited, Singapore (" OCBC SG ") in relation to: (a) banking facilities of SGD26,000,000 granted to Chlor-AI to be used for, among others, letters of credit, trust receipts, banker's guarantee and shipping guarantees; and (b) a foreign exchange line of credit of SGD6,000,000.	USD14,000,000.00 and SGD455,915.10 (equivalent to RM60,858,000.00 and RM1,502,513.80, respectively)

The above financial assistance received by our Group from its related parties are unsecured, interest-free and therefore are not on an arm's length basis and not on normal commercial terms. As at the LPD, the above financial assistance by Torsgate are no longer subsisting, as the corporate guarantee by Torsgate in favour of UOB SG has been fully released and replaced by the corporate guarantee dated 24 June 2024 by the Company in favour of UOB SG, while the guarantee and indemnity by Torsgate in favour of OCBC SG has been discharged and replaced by the Deed of Guarantee and Indemnity dated 26 June 2024 by the Company in favour of OCBC SG.

10. RELATED PARTY TRANSACTIONS (Cont'd)**10.2 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS****10.2.1 Audit and Risk Committee review**

Our Audit and Risk Committee reviews related party transactions and conflicts of interest situations that may arise within our Company or Group. Our Audit and Risk Committee also reviews any transaction, procedure or course of conduct that raises questions of management integrity including our related party transactions. In reviewing the related party transactions, the following, amongst other things will be considered:

- (i) the rationale and the cost/benefit to our Company are first considered;
- (ii) where possible, comparative quotes will be taken into consideration;
- (iii) that the transactions are based on normal commercial terms and not more favourable to the related parties than those generally available to third parties dealing on an arm's length basis; and
- (iv) that the transactions are not detrimental to our Company's non-interested shareholders.

All reviews by our Audit and Risk Committee are reported to our Board for its further action.

10.2.2 Our Group's policy on related party transactions

Related party transactions by their very nature, involve conflicts of interests between our Group and the related parties with whom our Group has entered into such transactions. Some of the officers and the Directors of our Group are also officers, directors and in some cases, shareholders of the related parties of our Group, as disclosed in this Prospectus and, with respect to these related party transactions, may individually and in aggregate have conflicts of interest. It is the policy of our Group that all related party transactions are carried out on normal commercial terms which are not more favourable to the related parties than those generally available to the third parties dealing on arm's length basis with our Group and are not to the detriment of our non-interested shareholders.

In addition, we have adopted a comprehensive corporate governance framework that meets best practice principles to mitigate any potential conflict of interest situations and intend for the framework to be guided by the Listing Requirements and MCCG upon our Listing. The procedures which may form part of the framework include, among others, the following:

- (i) our Board shall ensure that half of our Board's members are Independent Directors and will undertake an annual assessment of our Independent Directors;
- (ii) our Directors will be required to immediately make full disclosure of any direct or indirect interest that they may have in any business enterprise that is engaged in or proposed to be engaged in a transaction with our Group, whether or not they believe it is a material transaction. Upon such disclosure, the interested Director shall be required to abstain from deliberation and voting on any resolution related to the related party transaction; and
- (iii) all existing or potential related party transactions would have to be disclosed by the interested party for management reporting. Our management will propose the transactions to our Audit and Risk Committee for evaluation and assessment who would in turn, make a recommendation to our Board.

11. CONFLICT OF INTEREST

11.1 INTEREST IN ENTITIES CARRYING ON A SIMILAR TRADE AS THAT OF OUR GROUP OR WHICH ARE CUSTOMERS AND/OR SUPPLIERS OF OUR GROUP

11.1.1 Involvement of our Directors and substantial shareholders in entities which carry on a similar trade as that of our Group

Save as disclosed below, as at the LPD, our Directors and substantial shareholders do not have any interest, direct or indirect, in any entities which are carrying on a similar trade as that of our Group:

No.	Entity	Directors and/or substantial shareholders	Nature	Principal activity ⁽⁵⁾	Nature of interest
1.	Siam Taiko Marketing Co Ltd	<p>Director</p> <ul style="list-style-type: none"> Lee Yan Ling <p>Substantial shareholders</p> <ul style="list-style-type: none"> Dato' Lee Soon Hian Lee Oi Loon 	Similar trade as that of our Group	Trading of chemicals	<p>Siam Taiko Marketing Co Ltd is 100.0%* (51.0% via Arrows Link Ltd) equity interest owned by Torsgate, which in turn is 89.5% equity interest owned by Stafford.</p> <p>Dato' Lee Soon Hian and Lee Yan Ling hold 40.0% and 15.0% equity interest in Stafford respectively.</p> <p>Lee Oi Loon holds 10.5% equity interest in Torsgate.</p> <p><i>*Note: A nominal amount of five shares is held by Lee Sen Zhang.</i></p>
2.	Taiko Acid Works Sdn Bhd	<p>Director</p> <ul style="list-style-type: none"> Lee Yan Ling <p>Substantial shareholders</p> <ul style="list-style-type: none"> Dato' Lee Soon Hian Lee Oi Loon⁽²⁾ 	Similar trade as that of our Group	Manufacture and sale of sulphuric acid and sulphur derivatives	Taiko Acid Works Sdn Bhd is a wholly-owned subsidiary of Silver-Plus Corporation Sdn Bhd, which in turn is a wholly-owned subsidiary of Taiko Clay Chemicals Sdn Bhd (" Taiko Clay Chemicals "), which in turn is 62.0% equity interest owned by Taiko Chemical Industries Sdn Bhd (" Taiko Chemical Malaysia ") and 30.0% equity interest owned by Orient View Sdn Bhd (" Orient View ").

11. CONFLICT OF INTEREST (Cont'd)

No.	Entity	Directors and/or substantial shareholders	Nature	Principal activity ⁽⁵⁾	Nature of interest
3.	Taiko Alumina Sdn Bhd	Director <ul style="list-style-type: none"> Lee Yan Ling Substantial shareholders <ul style="list-style-type: none"> Dato' Lee Soon Hian Lee Oi Loon⁽²⁾ 	Similar trade as that of our Group	General trading and manufacture of water treatment chemicals	<p>Dato' Lee Soon Hian holds 87.5% and 40.0% equity interest in Taiko Chemical Malaysia and Orient View respectively.</p> <p>Lee Yan Ling holds 15.0% equity interest in Orient View.</p> <p>Taiko Alumina Sdn Bhd is a wholly-owned subsidiary of Silver-Plus Corporation Sdn Bhd, which in turn is a wholly-owned subsidiary of Taiko Clay Chemicals, which is 62.0% equity interest owned by Taiko Chemical Malaysia and 30.0% equity interest owned by Orient View.</p> <p>Dato' Lee Soon Hian holds 87.5% and 40.0% equity interest in Taiko Chemical Malaysia and Orient View respectively.</p> <p>Lee Yan Ling holds 15.0% equity interest in Orient View.</p>
4.	Taiko Bleaching Earth Sdn Bhd	Director <ul style="list-style-type: none"> Lee Yan Ling Substantial shareholders <ul style="list-style-type: none"> Dato' Lee Soon Hian Lee Oi Loon⁽²⁾ 	Similar trade as that of our Group	Manufacture of activated bleaching earth	<p>Taiko Bleaching Earth Sdn Bhd is a wholly-owned subsidiary of Silver-Plus Corporation Sdn Bhd, which in turn is a wholly-owned subsidiary of Taiko Clay Chemicals, which in turn is 62.0% equity interest owned by Taiko Chemical Malaysia and 30.0% equity interest owned by Orient View.</p> <p>Dato' Lee Soon Hian holds 87.5% and 40.0% equity interest in Taiko Chemical Malaysia and Orient View respectively.</p> <p>Lee Yan Ling holds 15.0% equity interest in Orient View.</p>

11. CONFLICT OF INTEREST (Cont'd)

No.	Entity	Directors and/or substantial shareholders	Nature	Principal activity ⁽⁵⁾	Nature of interest
5.	Premier Bleaching Earth Sdn Bhd	<p>Director</p> <ul style="list-style-type: none"> Lee Yan Ling <p>Substantial shareholders</p> <ul style="list-style-type: none"> Dato' Lee Soon Hian Lee Oi Loon⁽²⁾ 	Similar trade as that of our Group	Manufacture and sale of activated bleaching earth and sulphuric acid	<p>Premier Bleaching Earth Sdn Bhd is a wholly-owned subsidiary of Taiko Clay Chemicals, which in turn is 62.0% equity interest owned by Taiko Chemical Malaysia and 30.0% equity interest owned by Orient View.</p> <p>Dato' Lee Soon Hian holds 87.5% and 40.0% equity interest in Taiko Chemical Malaysia and Orient View respectively.</p> <p>Lee Yan Ling holds 15.0% equity interest in Orient View.</p>
6.	RCL Industrial Products Pte Ltd	<p>Director</p> <ul style="list-style-type: none"> Lee Yan Ling <p>Substantial shareholders</p> <ul style="list-style-type: none"> Dato' Lee Soon Hian Lee Oi Loon 	Similar trade as that of our Group	Trading of chemicals, fertilisers and related products	<p>RCL Industrial Products Pte Ltd is 20.0% equity interest owned by Austen Pacific Ltd, which is 78.0% equity interest owned by Torsgate, which in turn is 89.5% equity interest owned by Stafford.</p> <p>Dato' Lee Soon Hian and Lee Yan Ling hold 40.0% and 15.0% equity interest in Stafford respectively.</p> <p>Lee Oi Loon holds 10.5% equity interest in Torsgate.</p>
7.	TMKS	<p>Director</p> <ul style="list-style-type: none"> Lee Yan Ling <p>Directors and Substantial shareholders</p> <ul style="list-style-type: none"> Leong Chao Seong Wong Kin Wah 	Similar trade as that of our Group	Trading of chemicals	<p>TMKS is 78.0% equity interest owned by Torsgate, 16.0% and 6.0% equity interests owned by Leong Chao Seong and Wong Kin Wah, respectively. Torsgate's equity interest is 89.5% equity interest owned by Stafford.</p> <p>Dato' Lee Soon Hian and Lee Yan Ling hold 40.0% and 15.0% equity interest in Stafford respectively.</p>

11. CONFLICT OF INTEREST (Cont'd)

No.	Entity	Directors and/or substantial shareholders	Nature	Principal activity ⁽⁵⁾	Nature of interest
		Substantial shareholders <ul style="list-style-type: none"> • Dato' Lee Soon Hian • Lee Oi Loon 			<p>Lee Oi Loon holds 10.5% equity interest in Torsgate.</p> <p>Leong Chao Seong and Lee Yan Ling are directors of TMKS.</p>
8.	Batu Kawan Group (as defined in Note (1) of Section 11.1.2 below)	Director <ul style="list-style-type: none"> • Lee Yan Ling⁽³⁾ Substantial shareholders <ul style="list-style-type: none"> • Dato' Lee Soon Hian⁽⁴⁾ • Lee Oi Loon 	Similar trade as that of our Group	See Note (1) of Section 11.1.2 below for the details of Batu Kawan Group's principal activities	<p>Batu Kawan Berhad is 0.4% equity interest owned by Lee Oi Loon.</p> <p>Lee Oi Loon holds 100.0%* equity interest in Steppe Structure Sdn Bhd ("Steppe"), which in turn holds 0.6% equity interest in Batu Kawan Berhad.</p> <p>*Note: A nominal amount of two shares is held by Lim Peng Hong, 50 shares by Lim Qi Lian and 48 shares by Lim Qi Liang.</p>
9.	PT Taiko Persada Indoprima (" Taiko Persada Indoprima ")	Director <ul style="list-style-type: none"> • Lee Yan Ling Substantial shareholder <ul style="list-style-type: none"> • Dato' Lee Soon Hian • Lee Oi Loon 	Similar trade as that of our Group	Wholesale trading of chemical materials and goods	<p>Taiko Persada Indoprima is wholly-owned by Austen Pacific Ltd (99.9% via Everest Incorporation Pte Ltd), which is 78.0% equity owned by Torsgate which in turn is 89.5% equity interest owned by Stafford.</p> <p>Dato' Lee Soon Hian and Lee Yan Ling hold 40.0% and 15.0% equity interest in Stafford respectively.</p> <p>Lee Oi Loon holds 10.5% equity interest in Torsgate.</p>

11. CONFLICT OF INTEREST *(Cont'd)*

Notwithstanding the above, our Board is of the view that any potential conflict of interest situation which may arise through the interests of our Directors and substantial shareholders in other entities which are carrying on a similar trade as that of our Group is mitigated due to the following:

(a) Siam Taiko Marketing Co Ltd

- (i) The business and operations of Siam Taiko Marketing Co Ltd are not in direct competition with the business and operation of our Group as their operations are in Thailand, which is a different market and geography, and our sales contribution from Thailand is less than 0.1% of our Group's revenue for the Periods Under Review. In addition, there is no direct competition with our Group's operations as Siam Taiko Marketing Co Ltd is primarily involved in the trade of clay products and its trade in chemical products is minimal; and
- (ii) even though Dato' Lee Soon Hian, Lee Yan Ling and Lee Oi Loon have indirect interest in Siam Taiko Marketing Co Ltd by virtue of Dato' Lee Soon Hian's and Lee Yan Ling's shareholding of 40.0% and 15.0% in Stafford respectively as well as Lee Oi Loon's shareholding of 10.5% in Torsgate, they do not participate in its day-to-day operations and Siam Taiko Marketing Co Ltd has its own independent and standalone management.

(b) Taiko Acid Works Sdn Bhd

- (i) Taiko Acid Works Sdn Bhd is not our Group's major supplier and neither is our Group dependent on Taiko Acid Works Sdn Bhd's sulphuric acid where the total purchases by our Group from Taiko Acid Works Sdn Bhd represents less than 1.9% of our Group's total purchases for the Periods Under Review as there are other suppliers in the market;
- (ii) Taiko Acid Works Sdn Bhd is also not a major customer of our Group and neither is our Group dependent on Taiko Acid Works Sdn Bhd for its revenue where the total sales by our Group to Taiko Acid Works Sdn Bhd represents less than 0.3% of our Group's revenue for the Periods Under Review;
- (iii) even though Dato' Lee Soon Hian and Lee Yan Ling have indirect interest in Taiko Acid Works Sdn Bhd by virtue of Dato' Lee Soon Hian's shareholding of 87.5% and 40.0% in Taiko Chemical Malaysia and Orient View respectively, as well as Lee Yan Ling's shareholding of 15.0% in Orient View, they do not participate in its day-to-day operations and Taiko Acid Works Sdn Bhd has its own independent and standalone management; and
- (iv) all the sales to and purchases from Taiko Acid Works Sdn Bhd are carried out on an arm's length basis and on normal commercial terms which are not more favourable to Taiko Acid Works Sdn Bhd than those generally available to third parties.

11. CONFLICT OF INTEREST *(Cont'd)*

(c) Taiko Alumina Sdn Bhd

- (i) Taiko Alumina Sdn Bhd is not our Group's major supplier and neither is our Group dependent on their aluminium sulphate where the total purchases by our Group from Taiko Alumina Sdn Bhd for the Periods Under Review represents less than 1.5% of our Group's total purchases, for each of the abovementioned financial year, as there are other suppliers in the market;
- (ii) Taiko Alumina Sdn Bhd is not a major customer of our Group, nor is our Group dependent on Taiko Alumina Sdn Bhd for its revenue. The total sales by our Group to Taiko Alumina Sdn Bhd was less than 0.02% of our Group's revenue for the FYE 2020. Moreover, there were no sales made by our Group to Taiko Alumina Sdn Bhd in the Periods Under Review;
- (iii) even though Dato' Lee Soon Hian and Lee Yan Ling have indirect interest in Taiko Alumina by virtue of Dato' Lee Soon Hian's shareholding of 87.5% and 40.0% in Taiko Chemical Malaysia and Orient View respectively, as well as Lee Yan Ling's shareholding of 15.0% in Orient View, they do not participate in its day-to-day operations and Taiko Alumina Sdn Bhd has its own independent and standalone management; and
- (iv) all the sales to and purchases from Taiko Alumina Sdn Bhd are carried out on an arm's length basis and on normal commercial terms which are not more favourable to Taiko Alumina Sdn Bhd than those generally available to third parties.

(d) Taiko Bleaching Earth Sdn Bhd

- (i) Taiko Bleaching Earth Sdn Bhd is engaged in the manufacturing and trading of sulphur derivatives. However, this does not place it in direct competition with our Group as our Group does not manufacture sulphur derivatives. Moreover, the volume of sulphur derivatives traded by Taiko Bleaching Earth Sdn Bhd is minimal. They manufacture sulphur derivatives which is mainly sold through TMK;
- (ii) Taiko Bleaching Earth Sdn Bhd is not our Group's major supplier and neither is our Group dependent on Taiko Bleaching Earth Sdn Bhd's sulphur derivatives as there are other suppliers in the market where the total purchases by our Group from Taiko Bleaching Earth Sdn Bhd represents less than 1.0% of our Group's total purchases for the Periods Under Review;
- (iii) furthermore, Taiko Bleaching Earth Sdn Bhd is also not our Group's major customer and neither is our Group dependent on Taiko Bleaching Earth Sdn Bhd for its revenue where the total sales by our Group to Taiko Bleaching Earth Sdn Bhd represents less than 0.1% of our Group's revenue for the Periods Under Review;
- (iv) even though Dato' Lee Soon Hian and Lee Yan Ling have indirect interest in Taiko Bleaching Earth Sdn Bhd by virtue of Dato' Lee Soon Hian's shareholding of 87.5% and 40.0% in Taiko Chemical Malaysia and Orient View respectively, as well as Lee Yan Ling's shareholding of 15.0% in Orient View, however, they do not participate in its day-to-day operations and Taiko Bleaching Earth Sdn Bhd has its own independent and standalone management; and

11. CONFLICT OF INTEREST *(Cont'd)*

- (v) all the sales to and purchases from Taiko Bleaching Earth Sdn Bhd are carried out on an arm's length basis and on normal commercial terms which are not more favourable to Taiko Bleaching Earth Sdn Bhd than those generally available to third parties.
- (e) Premier Bleaching Earth Sdn Bhd
 - (i) Premier Bleaching Earth Sdn Bhd is also engaged in the manufacturing and trading of sulphuric acid. However, this does not place it in direct competition with our Group as our Group does not manufacture sulphuric acid. Moreover, the volume of sulphuric acid traded by Premier Bleaching Earth Sdn Bhd is minimal. They manufacture sulphuric acid primarily for internal consumption;
 - (ii) Premier Bleaching Earth Sdn Bhd is not our Group's major supplier and neither is our Group dependent on Premier Bleaching Earth Sdn Bhd's sulphuric acid as there are other suppliers in the market where the total purchases by our Group from Premier Bleaching Earth Sdn Bhd represents less than 0.5% of our Group's total purchases for the Periods Under Review;
 - (iii) Premier Bleaching Earth Sdn Bhd is also not a major customer of our Group and neither is our Group dependent on Premier Bleaching Earth Sdn Bhd where the total sales by our Group to Premier Bleaching Earth Sdn Bhd represents less than 0.2% of our Group's revenue for the Periods Under Review;
 - (iv) even though Dato' Lee Soon Hian and Lee Yan Ling have indirect interest in Premier Bleaching Earth Sdn Bhd by virtue of Dato' Lee Soon Hian's shareholding of 87.5% and 40.0% in Taiko Chemical Malaysia and Orient View respectively, as well as Lee Yan Ling's shareholding of 15.0% in Orient View, they do not participate in its day-to-day operations and Premier Bleaching Earth Sdn Bhd has its own independent and standalone management; and
 - (v) all the sales to and purchases from Premier Bleaching Earth Sdn Bhd are carried out on an arm's length basis and on normal commercial terms which are not more favourable to Premier Bleaching Earth Sdn Bhd than those generally available to third parties.
- (f) RCL Industrial Products Pte Ltd
 - (i) The businesses and operations of RCL Industrial Products Pte Ltd are not in direct competition with our Group. While RCL Industrial Products Pte Ltd's operations primarily focus on the trade of petrochemical products, our Group is also involved in the trade of petrochemical products but such trading in petrochemical products by our Group accounted for less than 0.5% of our Group's revenue for the Periods Under Review, making it a negligible segment of our Group's overall business activities;
 - (ii) RCL is not our Group's major supplier and neither is our Group dependent on RCL's caustic soda as there are other suppliers in the market where the total purchases by our Group from RCL represents less than 4.0% of our Group's total purchases for the Periods Under Review; and

11. CONFLICT OF INTEREST *(Cont'd)*

- (iii) all the purchases from RCL are carried out on an arm's length basis and on normal commercial terms which are not more favourable to RCL than those generally available to third parties; and
 - (iv) although both our Group and RCL Industrial Products Pte Ltd deal with caustic soda, RCL Industrial Products Pte Ltd's sale of caustic soda is minimal, given its primary focus is on trading petrochemical products.
- (g) **TMKS**

The businesses and operations of TMKS are not in competition with our Group as the business of TMKS in supply and distribution of chemical products were transferred to our Group under the Business Transfer Deed. Subsequent to the Business Transfer Deed, TMKS ceased its supply and distribution of chemical products from January 2024. As at the LPD, Chlor-AI holds 96.6% in TMK Dai Hung, with TMKS holding the remaining minority share of 3.4% and TMKS is mainly engaged in rental collection operations in Singapore. As our Group does not possess investment properties in Singapore intended for rental income, there is no competition between the two entities in this regard.
- (h) **Batu Kawan Group**
 - (i) Despite certain businesses and operations of Batu Kawan Group being involved in a trade similar to that of our Group, Lee Oi Loon, a substantial shareholder of our Group:
 - (A) is just a passive investor of Batu Kawan Berhad with her shareholding of 0.4% in Batu Kawan Berhad and indirect interest of 0.6% by virtue of her shareholding in Steppe;
 - (B) neither serves as a director of Batu Kawan Group nor participates in its day-to-day operations and decision-making processes, hence does not have control over the board of directors of Batu Kawan Group;
 - (C) Batu Kawan Group has its own independent and standalone management team; and
 - (ii) all the sales to and purchases from Batu Kawan Group are carried out on an arm's length basis and on normal commercial terms which are not more favourable to Batu Kawan Group than those generally available to third parties.

11. CONFLICT OF INTEREST (Cont'd)

- (i) Taiko Persada Indoprima
- (i) Taiko Persada Indoprima commenced operations in May 2024, focusing on the trade of nitric acid within Indonesia;
- (ii) while our Group is also involved in the trade of inorganic chemicals including nitric acid, Taiko Persada Indoprima's business and operations are not in direct competition with our Group because our Group's trading of inorganic chemicals in Indonesia represents less than 2.5% of our Group's revenue for the Periods Under Review, signifying a minor segment of our Group's overall business activities;
- (iii) as at the date of this Prospectus, all the sales to Taiko Persada Indoprima are carried out on an arm's length basis and on normal commercial terms which are not more favourable to Taiko Persada Indoprima than those generally available to third parties; and
- (iv) even though Dato' Lee Soon Hian, Lee Yan Ling and Lee Oi Loon have indirect interest in Taiko Persada Indoprima by virtue of Dato' Lee Soon Hian and Lee Yan Ling's shareholding of 40.0% and 15.0% in Stafford respectively, as well as Lee Oi Loon's shareholding of 10.5% in Torsgate, they do not participate in its day-to-day operations and Taiko Persada Indoprima has its own independent and standalone management.

11.1.2 Involvement of our Directors and substantial shareholders in entities which are our customers or suppliers

Save as disclosed below, as at the LPD, our Directors and substantial shareholders do not have any interest, direct or indirect, in any entities which are our customers and/or suppliers:

No.	Entity	Directors and/or substantial shareholders	Nature of transaction	Principal activity ⁽⁵⁾	Nature of interest
1.	Nastah Industries Sdn Bhd	<p>Director</p> <ul style="list-style-type: none"> Lee Yan Ling <p>Substantial Shareholder</p> <ul style="list-style-type: none"> Dato' Lee Soon Hian 	Customer of liquid chlorine and nitric acid	Manufacturing of household and industrial gloves	<p>Nastah Industries Sdn Bhd is 55.8% equity interest owned by Baypark Holdings Sdn Bhd.</p> <p>Dato' Lee Soon Hian holds 40.0% equity interest in Baypark Holdings Sdn Bhd.</p> <p>Lee Yan Ling holds 15.0% equity interest in Baypark Holdings Sdn Bhd.</p>

11. CONFLICT OF INTEREST (Cont'd)

No.	Entity	Directors and/or substantial shareholders	Nature of transaction	Principal activity ⁽⁵⁾	Nature of interest
2.	Batu Kawan Group:				
	Kuala Lumpur Kepong Berhad	Director • Lee Yan Ling ⁽³⁾	Customer of atomic sulphur and sulphur powder	See Note (1) for the details of Kuala Lumpur Kepong Berhad's principal activity	Batu Kawan Berhad is 0.4% equity interest owned by Lee Oi Loon.
	KL-Kepong Oleomas Sdn Bhd	Substantial shareholders • Dato' Lee Soon Hian ⁽⁴⁾ • Lee Oi Loon	Customer of caustic soda liquid, hydrogen peroxide, phosphoric acid and sodium methylate Supplier of oleochemical products	See Note (1) for the details of KL-Kepong Oleomas Sdn Bhd's principal activity	Lee Oi Loon holds 100%* equity interest in Steppe, which in turn holds 0.6% equity interest in Batu Kawan Berhad. <i>*Note: A nominal amount of two shares is held by Lim Peng Hong, 50 shares by Lim Qi Lian and 48 shares by Lim Qi Liang.</i>
	KLK Bioenergy Sdn Bhd		Customer of caustic soda liquid, hydrochloric acid, phosphoric acid and sodium methylate	See Note (1) for the details of KLK Bioenergy Sdn Bhd's principal activity	
	See Sen Chemical Berhad		Customer of soda ash dense and sulphuric acid Supplier of atomic sulphur, aluminium sulphate, aluminium sulphate liquid, sodium silicate, sulphuric acid	See Note (1) for the details of See Sen Chemical Berhad's principal activity	
	CCM Chemicals Sdn Bhd		Customer of caustic soda liquid, hydrochloric acid, nitric acid and solar salt Customer of tank and tanker rental for nitric acid	See Note (1) for the details of CCM Chemicals Sdn Bhd's principal activity	