

## **NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF FARM PRICE HOLDINGS BERHAD (“FARM PRICE HOLDINGS” OR “COMPANY”) DATED 24 APRIL 2024 (“ELECTRONIC PROSPECTUS”)**

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

### **Website**

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

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

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

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

### **Jurisdictional Disclaimer**

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

### **Close of Application**

Applications for the IPO Shares will be accepted from **10:00 a.m.** on **24 April 2024** and will close at **5:00 p.m.** on **30 April 2024**. Any change to the timetable will be advertised by Farm Price Holdings in a widely circulated Bahasa Malaysia and English daily newspapers within Malaysia, and will make the relevant announcement through Bursa Securities.

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

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

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

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



FARM PRICE HOLDINGS BERHAD



**FARM PRICE HOLDINGS BERHAD**

(Registration No. 202301019404 (1513326-T))  
(Incorporated in Malaysia under the Companies Act 2016)

Lot 55358, Jalan Seelong Jaya 15, 81400 Senai, Kulai, Johor, Malaysia | MAIN LINE : +6 07-598 1959 | OPERATION : +6 07-598 2672 | ACCOUNT : +6 07-598 2219 | EMAIL : sales@farmprice.com.my

www.farmprice.com.my

P R O S P E C T U S

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**FARM PRICE HOLDINGS BERHAD**

(Registration No. 202301019404 (1513326-T))  
(Incorporated in Malaysia under the Companies Act 2016)

INITIAL PUBLIC OFFERING (“IPO”) IN CONJUNCTION WITH THE LISTING OF FARM PRICE HOLDINGS BERHAD (“FARM PRICE HOLDINGS” OR “COMPANY”) ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”) COMPRISING:

- (I) PUBLIC ISSUE OF 102,000,000 NEW ORDINARY SHARES IN FARM PRICE HOLDINGS (“FARM PRICE HOLDINGS SHARES” OR “SHARES”) IN THE FOLLOWING MANNER:
  - 22,500,000 NEW FARM PRICE HOLDINGS SHARES MADE AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
  - 11,250,000 NEW FARM PRICE HOLDINGS SHARES MADE AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS, EMPLOYEES AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF FARM PRICE HOLDINGS; AND
  - 68,250,000 NEW FARM PRICE HOLDINGS SHARES MADE AVAILABLE BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS;

AND

- (II) OFFER FOR SALE OF 33,000,000 EXISTING FARM PRICE HOLDINGS SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS;

AT AN IPO PRICE OF RM0.24 PER SHARE, PAYABLE IN FULL UPON APPLICATION.

Principal Adviser, Sponsor, Sole Underwriter and Placement Agent



Alliance Islamic Bank Berhad 200701018870 (776882-V)

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

BURSA SECURITIES HAS APPROVED OUR IPO AND THIS PROSPECTUS HAS BEEN REGISTERED BY BURSA SECURITIES. THE APPROVAL FOR THE ADMISSION OF OUR COMPANY TO THE OFFICIAL LIST OF BURSA SECURITIES AND THE LISTING AND QUOTATION OF OUR ENTIRE ENLARGED ISSUED SHARE CAPITAL ON THE ACE MARKET OF BURSA SECURITIES AND THE REGISTRATION OF THIS PROSPECTUS SHOULD NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES RECOMMENDS THE OFFERING OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS. BURSA SECURITIES HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF THE SECURITIES BEING OFFERED FOR INVESTMENT.

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

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

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE “RISK FACTORS” COMMENCING ON PAGE 185.

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

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

THIS PROSPECTUS IS DATED 24 APRIL 2024

## RESPONSIBILITY STATEMENTS

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

Alliance Islamic Bank Berhad (“**AIS**”), being the Principal Adviser, Sponsor, Sole Underwriter and Placement Agent, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

## STATEMENTS OF DISCLAIMER

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

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

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

## OTHER STATEMENTS

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

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

Our Shares are classified as Shariah compliant by the Shariah Advisory Council of the Securities Commission (“**SC**”). This classification remains valid from date of issue of this Prospectus until the next Shariah compliance review undertaken by the Shariah Advisory Council of the SC. The new status is released in the updated list of Shariah compliant securities, on the last Friday of May and November.

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

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

This Prospectus is prepared and published solely for our IPO in Malaysia under the laws of Malaysia. Our IPO Shares are issued/offered in Malaysia solely based on the contents of this Prospectus. Our Directors, Promoters, Offerors, Principal Adviser, Sponsor, Sole Underwriter and Placement Agent take no responsibility for the distribution of this Prospectus (in preliminary or final form) outside Malaysia. Our Directors, Promoters, Offerors, Principal Adviser, Sponsor, Sole Underwriter and Placement Agent have not authorised anyone to provide you with information which is not contained in this Prospectus.

It shall be your sole responsibility, if you are or may be subjected to the laws of any countries or jurisdictions other than Malaysia, to consult your legal and/or other professional advisers as to whether your application for our IPO would result in the contravention of any laws of such countries or jurisdictions. Neither we nor our Principal Adviser nor any other advisers in relation to our IPO shall accept any responsibility or liability in the event that any application made by you shall be illegal, unenforceable, voidable or void in any such country or jurisdiction.

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

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

### **ELECTRONIC PROSPECTUS**

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

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

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

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

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

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

Where an electronic Prospectus is hosted on the website of the Internet Participating Financial Institutions, you are advised that:

- (i) the Internet Participating Financial Institutions are liable in respect of the integrity of the contents of the Electronic Prospectus, to the extent of the contents of the Electronic Prospectus situated on the web server of the Internet Participating Financial Institutions which may be viewed via your web browser or other relevant software;
- (ii) the Internet Participating Financial Institutions shall not be responsible in any way for the integrity of the contents of the Electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institutions and thereafter communicated or disseminated in any manner to you or other parties; and
- (iii) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in the Electronic Prospectus, the accuracy and reliability of the Electronic Prospectus cannot be guaranteed as the internet is not a fully secured medium.

The Internet Participating Financial Institutions shall not be liable (whether in tort or contract or otherwise) for any loss, damage or cost, you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in the Electronic Prospectus which may arise in connection with or as a result of any fault or faults with web browsers or other relevant software, any fault or faults on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institutions, and/or problems occurring during data transmission, which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

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**INDICATIVE TIMETABLE**

The following events are intended to take place on the following tentative dates:

<b>Event(s)</b>	<b>Tentative Date(s)</b>
Opening of the application period for our IPO	24 April 2024
Closing of the application period for our IPO	30 April 2024
Balloting of applications	3 May 2024
Allotment of Issue Shares/Transfer of Offer Shares to successful applicants	10 May 2024
Listing on the ACE Market of Bursa Securities	14 May 2024

In the event there is any change to the indicative timetable above, we will advertise the notice of the changes in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia and announce it on Bursa Securities' website accordingly.

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## PRESENTATION OF INFORMATION

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All references to “our Company” or “Farm Price Holdings” in this Prospectus are to Farm Price Holdings Berhad, while references to “our Group” are to our Company and our subsidiaries. References to “we”, “us”, “our” and “ourselves” are to our Company or our Group or any member of our Group, as the context requires. Unless the context otherwise requires, references to “Management” are to our Managing Director, Executive Director and our Key Senior Management as disclosed in this Prospectus and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

All references to “you” are to our prospective investors.

Certain abbreviations, acronyms and technical terms used are defined in the “Definitions” and “Glossary of Technical Terms” sections of this Prospectus. Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include companies and corporations.

In this Prospectus, references to the “Government” are to the Government of Malaysia; and references to “RM” and “sen” are to the lawful currency of Malaysia. The word “approximately” used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest hundredth or two (2) decimal places. Any discrepancies in the tables included in this Prospectus between the amounts listed and the total thereof are due to rounding.

Unless otherwise stated, any reference to dates and times in this Prospectus shall be a reference to dates and times in Malaysia.

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

This Prospectus includes statistical data provided by our Management and various third parties and cites third party projections regarding growth and performance of the industry in which our Group operates or is exposed to. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus. Where no source is stated, it can be assumed that the information originates from our Management.

In particular, certain information in this Prospectus is extracted or derived from the IMR Report prepared by Vital Factor (as defined in this Prospectus), the independent business and market research consultants. We have appointed Vital Factor to provide an independent market and industry review. In compiling their data for the review, Vital Factor had relied on research methodology, industry sources, published materials, their own private databases and direct contacts within the industry. We believe that the information on the industry and the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate. Further, third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. We cannot assure you that the projections will be achieved and you should not place undue reliance on the statistical data and third-party projections cited in this Prospectus.

If there are any discrepancies or inconsistencies between the English and Bahasa Malaysia versions of this document, the English version shall prevail.

The information on our website, or any website directly and indirectly linked to such website does not form part of this Prospectus and should not be relied upon.

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## FORWARD-LOOKING STATEMENTS

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This Prospectus includes forward-looking statements, which include all statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, prospects, plans and objectives of our Management for future operations. Some of these statements can be identified by words that have a bias towards or are forward-looking such as “may”, “will”, “would”, “could”, “believe”, “expect”, “anticipate”, “estimate”, “aim”, “plan”, “forecast”, “project” or similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond our Group’s control that could cause our actual results, performances or achievements to be materially different from future results, performances or achievements expressed or implied by such forward-looking statements. Such forward-looking statements include, without limitation, statements relating to:

- (i) our business strategies, trends and competitive position;
- (ii) our plans and objectives for future operations;
- (iii) our future potential growth opportunities;
- (iv) our future financial position, earnings, cash flows and liquidity;
- (v) our ability to pay dividends; and
- (vi) the regulatory environment and the effects of future regulation.

Such forward-looking statements are based on numerous assumptions regarding our Group’s present and future business strategies and the environment in which we operate. Our actual results may differ materially from information contained in the forward-looking statements as a result of a number of factors beyond our control, including, without limitation:

- (a) the general economic, business, social, political and investment environment in Malaysia and globally;
- (b) government policy, legislation and regulation;
- (c) interest rates, tax rates and exchange rates;
- (d) the competitive environment in the industry in which we operate;
- (e) reliance on approvals, licences and permits;
- (f) availability and fluctuations in prices of raw materials;
- (g) fixed and contingent obligations and commitments; and
- (h) any other factors beyond our control.

Additional factors that could cause our actual results, performances or achievements to differ materially include, but are not limited to those discussed in Section 8 – Risk Factors and Section 11.3 – Management’s Discussion and Analysis of Financial Conditions and Results of Operations of this Prospectus. We cannot assure you that the forward-looking statements in this Prospectus will be realised.

These forward-looking statements are based on information available to us as at the LPD and are made available only as at the LPD. Should we become aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment of the IPO Shares, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provision of Section 238(1) of the CMSA and Paragraph 1.02, Chapter 1 of Part II (Division 6) of the Prospectus Guidelines (Supplementary and Replacement Prospectus).



## **DEFINITIONS**

The following definitions shall apply throughout this Prospectus unless the definitions are defined otherwise or the context requires otherwise:

### **COMPANIES WITHIN OUR GROUP**

Farm Price Holdings or : Farm Price Holdings Berhad (Registration No. 202301019404 (1513326-T))  
Company

Farm Price Group or : Farm Price Holdings and our Subsidiaries, collectively  
Group

Farm Price : Farm Price Sdn Bhd (Registration No. 200101023600 (559358-W))

FP Foods : FP Foods Sdn Bhd (Registration No. 201701039036 (1253207-K))

Setia Kawan : Setia Kawan Marketing Sdn Bhd (Registration No. 201001041544 (925472-A))

Subsidiaries : Farm Price, FP Foods, Setia Kawan and Topstar, collectively

Topstar : Topstar Trading Pte Ltd (UEN No. 201527963M)

### **GENERAL**

ACE Market : ACE Market of Bursa Securities

Act : Companies Act 2016

Acquisitions : Acquisition of Farm Price, Acquisition of FP Foods, Acquisition of Setia Kawan and Acquisition of Topstar by Farm Price Holdings, collectively

Acquisition of Farm Price : Acquisition by Farm Price Holdings of the entire issued share capital of Farm Price of RM2,450,000 comprising 2,450,000 ordinary shares from the shareholders of Farm Price for a total purchase consideration of RM9,661,950, which was entirely satisfied by the issuance of 210,500,000 new Shares in aggregate at an issue price of approximately RM0.0459 per Share to the shareholders of Farm Price, namely Dr. Tiong Lee Chian and Liew Tsuey Er

Acquisition of FP Foods : Acquisition by Farm Price Holdings of the entire issued share capital of FP Foods of RM800,000 comprising 800,000 ordinary shares from the shareholders of FP Foods for a total purchase consideration of RM3,364,424, which was entirely satisfied by the issuance of 73,299,000 new Shares in aggregate at an issue price of approximately RM0.0459 per Share to the shareholders of FP Foods, namely Dr. Tiong Lee Chian and Liew Tsuey Er

Acquisition of Setia Kawan : Acquisition by Farm Price Holdings of the entire issued share capital of Setia Kawan of RM480,002 comprising 480,002 ordinary shares from the shareholders of Setia Kawan for a total purchase consideration of RM1,946,160, which was entirely satisfied by the issuance of 42,400,000 new Shares in aggregate at an issue price of approximately RM0.0459 per Share to the shareholders of Setia Kawan, namely Dr. Tiong Lee Chian and Liew Tsuey Er

**DEFINITIONS (Cont'd)**

Acquisition of Topstar	:	Acquisition by Farm Price Holdings of the entire issued share capital of Topstar of SGD20,002 comprising 20,002 ordinary shares from the sole shareholder of Topstar for a total purchase consideration of RM1,000,620, which was entirely satisfied by the issuance of 21,800,000 new Shares in aggregate at an issue price of approximately RM0.0459 per Share to the sole shareholder of Topstar, namely Dr. Tiong Lee Chian
ADA	:	Authorised Depository Agent
AGM	:	Annual General Meeting
AIS or Principal Adviser or Sponsor or Sole Underwriter or Placement Agent	:	Alliance Islamic Bank Berhad (Registration No. 200701018870 (776882-V))
Application(s)	:	The application(s) for our Issue Shares by way of Application Form, Electronic Share Application and/or Internet Share Application
Application Form(s)	:	The printed application form for the Application of our Issue Shares
ATM	:	Automated Teller Machine
Authorised Financial Institution	:	Authorised financial institution participating in the Internet Share Application with respects to payments for our IPO Shares
Board	:	The Board of Directors of Farm Price Holdings
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
CAGR	:	Compound annual growth rate
Catalist	:	The sponsor-supervised board of the SGX
CCC	:	Certificate of Completion and Compliance
CDS	:	Central Depository System
CDS Account(s)	:	Account(s) established for a Depositor by Bursa Depository for the recording of deposits or withdrawals of securities and for dealings in such securities by the Depositor
CF	:	Certificate of fitness for occupation
CMSA	:	Capital Markets and Services Act 2007
Constitution	:	The constitution of our Company
COVID-19	:	An infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)
CPA 1993	:	Control of Plants Act 1993 of Singapore
Depositor	:	A holder of a CDS Account

**DEFINITIONS (Cont'd)**

Director(s)	:	Director(s) of our Company and within the meaning given in Section 2 of the CMSA
DOSH	:	Department of Occupational Safety and Health
EIS	:	Employment Insurance System
Electronic Prospectus	:	A copy of this Prospectus that is issued, circulated or disseminated via the Internet, and/or an electronic storage medium, including but not limited to CD-ROMs (compact disc read-only memory)
Electronic Share Application	:	An application for the Issue Shares through Participating Financial Institutions' ATM
Eligible Person(s)	:	Eligible Director(s), employee(s), and persons who have contributed to the success of our Group, as further detailed in Section 4.1 of this Prospectus
EPF	:	Employees Provident Fund
EPS	:	Earnings per share
Executive Director(s)	:	Non-independent executive director(s) of Farm Price Holdings, namely Dr. Tiong Lee Chian and Liew Tsuey Er
Farm Price Holdings Share(s) or Share(s)	:	Ordinary share(s) in Farm Price Holdings
FAMA	:	Federal Agricultural Marketing Authority
Financial Years Under Review	:	FYE 2020, FYE 2021, FYE 2022 and FYE 2023, collectively
FPE	:	Financial period ended/ending
FYE	:	Financial year ended/ending 31 December
GICL	:	Guardian Independent Certification Ltd, England, an independent accredited certification body that provides testing, inspection, training, and certification services in areas of quality management, environmental management, occupational health and safety, business continuity management, information security management and food management systems
GMP	:	Good manufacturing practices
GP	:	Gross profit
Granville Grocery	:	Granville Grocery Sdn Bhd (Registration No. 201801032510 (1294536-V))
HACCP	:	Hazard analysis and critical control points
Heisalive	:	Heisalive Sdn Bhd (Registration No. 202101037802 (1438102-U))
IMR or Vital Factor	:	Vital Factor Consulting Sdn Bhd (Registration No. 199301012059 (266797-T)), an independent business and market research consultants
IMR Report	:	Independent Assessment of the Wholesale Distribution of Fresh Vegetables Industry prepared by Vital Factor as set out in Section 7 of this Prospectus

**DEFINITIONS (Cont'd)**

Internet Participating Financial Institution(s)	:	Participating financial institution(s) for the Internet Share Application, as listed in Section 14 of this Prospectus
Internet Share Application	:	Application for our IPO Shares through an online share application service provided by the Internet Participating Financial Institution
IPO	:	Initial public offering of the IPO Shares in conjunction with the listing and quotation of our entire enlarged issued share capital on the ACE Market
IPO Price	:	The price of RM0.24 per IPO Share
IPO Share(s)	:	The Issue Share(s) and Offer Share(s), collectively
IRB	:	Inland Revenue Board of Malaysia
ISO	:	International Organisation for Standardisation
Issue Share(s)	:	102,000,000 new Farm Price Holdings Shares, representing 22.67% of our enlarged issued share capital, which are to be issued pursuant to the Public Issue and subject to the terms and conditions of this Prospectus
Issuing House	:	Tricor Investor & Issuing House Services Sdn Bhd (Registration No. 197101000970 (11324-H))
Key Senior Management	:	Key senior management of our Group comprising Mok Min Yee, Christopher Lim Thin Chee, Ho Chek Keong and Nurul Fatina Binti Zakaria
Listing	:	The admission of Farm Price Holdings to the Official List and the listing and quotation of our entire enlarged issued share capital of RM40,453,204 comprising 450,000,000 Shares on the ACE Market
Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities
Listing Scheme	:	Comprising the Acquisitions, Public Issue, Offer for Sale, Share Transfer and Listing, collectively
Lot 55359	:	A 1.9-acre piece of land, bearing postal address Lot 55359, Jalan Seelong Jaya 15, 81400 Senai, Kulai, Johor, that is located behind the existing Senai Centralised Distribution Centre and which forms part of our Group's expansion plans
LPD	:	27 March 2024, being the latest practicable date prior to the issuance of this Prospectus
Malaysian Public	:	Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
Market Day(s)	:	Any day(s) on which Bursa Securities is open for trading of securities
MCCG	:	Malaysian Code on Corporate Governance of the SC
MCO	:	The nationwide Movement Control Order imposed by the Government of Malaysia under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 as a measure to contain the outbreak of COVID-19 pandemic

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**DEFINITIONS (Cont'd)**


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Mercurius Capital	:	Mercurius Capital Investment Limited (UEN No. 198200473E), a company incorporated in Singapore and listed on the Catalist
MFRS	:	Malaysian Financial Reporting Standards
MITI	:	Ministry of Investment, Trade and Industry of Malaysia
N/A	:	Not applicable or not available
NA	:	Net assets
NBV	:	Net book value
Offer for Sale	:	Offer for sale of the Offer Shares at the IPO Price by the Offerors by way of private placement to selected investors
Offer Share(s)	:	33,000,000 existing Shares, representing 7.33% of our enlarged issued share capital, which are to be offered pursuant to the Offer for Sale and subject to the terms and conditions of this Prospectus
Offeror(s)	:	Dr. Tiong Lee Chian and Liew Tsuey Er, collectively
Official List	:	A list specifying all securities which have been admitted for listing on the ACE Market and not removed
Participating Institution(s)	Financial	: Participating financial institution(s) for Electronic Share Application, as listed in Section 14 of this Prospectus
PAT	:	Profit after taxation
PBT	:	Profit before taxation
PE Multiple	:	Price earnings multiple
Pink Form Allocation	:	The allocation of 11,250,000 Issue Shares to the Eligible Persons pursuant to the Public Issue
PPE	:	Property, plant and equipment
Prescribed Security	:	Securities of a company that are prescribed by Bursa Securities to be deposited in the CDS subject to the provision of the SICDA and the Rules
Promoter(s)	:	Dr. Tiong Lee Chian, Liew Tsuey Er and TLC Consolidation
Prospectus	:	This Prospectus dated 24 April 2024 in relation to the IPO
Prospectus Guidelines	:	Prospectus Guidelines issued by the SC

**DEFINITIONS (Cont'd)**

Public Issue	:	Public issue of 102,000,000 new Shares at the IPO Price comprising: <ul style="list-style-type: none"> <li>(a) 22,500,000 new Shares, representing 5.00% of our enlarged issued share capital, made available for application by the Malaysian Public;</li> <li>(b) 11,250,000 new Shares, representing 2.50% of our enlarged issued share capital, made available for application by the Eligible Person(s); and</li> <li>(c) 68,250,000 new Shares, representing 15.17% of our enlarged issued share capital, made available by way of placement to selected investors</li> </ul>
Q1	:	First quarter of the year
Q2	:	Second quarter of the year
Q3	:	Third quarter of the year
Q4	:	Fourth quarter of the year
QC	:	Quality control
Record of Depositors	:	A record provided by Bursa Depository to the Company under Chapter 34 of the Rules of Bursa Depository
ROC	:	Registrar of Companies
Rules	:	Rules of Bursa Depository
SAC	:	Shariah Advisory Council of the SC
SC	:	Securities Commission Malaysia
SFA	:	Singapore Food Agency
SGX	:	Singapore Exchange
Share Transfer	:	Share Transfer to TLC Consolidation, as further detailed in Section 4.1.1(d) of this Prospectus
SICDA	:	Securities Industry (Central Depositories) Act, 1991
Singapore Companies Act	:	Companies Act 1967 of Singapore
SKHMP	:	Festive Season Price-Controlled Scheme
Songmart Holdings	:	Songmart Holdings Sdn Bhd (Registration No. 202101016339 (1416639-M))
Songmart Malaysia	:	Songmart Malaysia Sdn Bhd (Registration No. 202101016614 (1416914-A))
Specified Shareholder(s)	:	The specified shareholders comprising: <ul style="list-style-type: none"> <li>(i) Dr. Tiong Lee Chian;</li> <li>(ii) Liew Tsuey Er; and</li> <li>(iii) TLC Consolidation</li> </ul>

---

**DEFINITIONS (Cont'd)**

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SOCOSO	:	Social Security Organisation, also known as PERKESO (Pertubuhan Keselamatan Sosial)
SSA	:	Conditional shares sale agreement dated 12 June 2023 as supplemented by the Supplemental SSA entered into between Farm Price Holdings, Dr. Tiong Lee Chian and Liew Tsuey Er for the Acquisitions
Supplemental SSA	:	Supplemental agreement to the SSA dated 18 August 2023 entered into between Farm Price Holdings, Dr. Tiong Lee Chian and Liew Tsuey Er to amend and vary certain provisions in the SSA
TLC Consolidation	:	TLC Consolidation Sdn Bhd (Registration No. 202301022099 (1516022-K))
TNB	:	Tenaga Nasional Berhad
Underwriting Agreement	:	The underwriting agreement dated 5 April 2024 entered into between our Company and AIS pursuant to our IPO

**CURRENCIES AND UNITS**

CNY	:	Chinese Yuan
RM and sen	:	Ringgit Malaysia and sen, respectively
SGD and cent	:	Singapore Dollar and cent, respectively
THB	:	Thai Baht
USD	:	United States Dollar
°C	:	Degree Celsius
kg	:	Kilogram
kWp	:	Kilowatt peak
sq. ft.	:	Square feet
sq. m.	:	Square metre

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## GLOSSARY OF TECHNICAL TERMS

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Technical terms used in this Prospectus shall have the same meanings as set out below unless the term is defined otherwise or the context requires otherwise:

- Ambient warehouse : Refers to the storage facility at room temperature which are mainly for the storage of dry goods such as packaged beverages and other non-perishable products which do not require cold storage
- Bulb vegetables : Vegetables mainly grown for their edible part between the stem and the root such as onion, garlic and spring onion
- Senai Centralised Distribution Centre : In the context of this Prospectus, this refers to our head office and existing centralised facility located at Lot 55358, Jalan Seelong Jaya 15, 81400 Senai, Johor comprising cold room facilities for storage, processing and packing facilities as well as ambient temperature storage, processing and packing space
- Distribution centre : In the context of this Prospectus, each distribution centre comprised, at the very least, a warehousing/storage facility while other distribution centres have a combination of, either a head office, an administration office or branch office together with warehousing/storage facilities
- Flower vegetables : Vegetables that are mainly grown for their edible flowers, such as cauliflower and broccoli
- Food service sector : The food service sector comprises operators that are involved in the provision of ready-to-consume food and beverages away from home. Food service operators include, among others, restaurants, hawkers and food court stalls, cafes, pubs, canteens, caterers, hotels, and other eateries
- Fresh-cut vegetables : Fresh vegetables that have undergone processing such as washing, peeling or cutting and these vegetables are ready to be cooked for the ease of convenience of consumers
- Fresh vegetables : Vegetables in its raw form that are neither preserved or cooked, including whole, prepacked and fresh-cut vegetables
- Fruit vegetables : Vegetables that are botanically classified as fruits but mainly used as vegetables such as chilli, tomato, and cucumber
- Leafy vegetables : Vegetables that are mainly grown for their edible leaves such as cabbage, lettuce, and spinach
- Food and beverage or F&B : Broadly defined as mass produced food and beverages that are consumed by consumers/households. This effectively excludes fresh food and produce without packaging, as well as bulk goods and commodities that are sold in loose forms
- Prepacked vegetables : Whole fresh vegetables that are packed in retail packaging format
- Refrigerated truck : A temperature-controlled truck with its own refrigeration unit where the temperatures are maintained between 0°C to 5°C
- Retail : Refers to the resale of goods commonly in single units or in small quantities to end-users or end-consumers. Operators that are involved in retail trade comprise store-based retailers and non-store-based retailers. Store-based retailers has physical outlets to display and sell goods. Non-store-based retailers include, among others, online sales



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**GLOSSARY OF TECHNICAL TERMS (Cont'd)**

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Retailers	: Operators that are involved in the retail trade and these comprise store-based retailers and non-store-based retailers. In the context of this Prospectus, retail outlets include hypermarkets, supermarkets, mini marts and grocery stores/sundry shops
Root vegetables	: Vegetables mainly grown for their edible roots such as carrot, turnip and radish
Seed vegetables	: Also known as legumes, and refer to the fruit of the plant of which the pod and the seed are eaten, such as beans, sweet corn and peas
Stem vegetables	: Vegetables mainly grown for their edible shoots from their roots or bulbs such as celery, leek and asparagus
Stock keeping unit (SKU)	: A unique identifier for each distinct product and service that can be purchased
Tuber vegetables	: Refers to vegetables that are mainly grown for their enlarged edible roots which are used as storage of nutrients such as potato, sweet potato and yam
Wholesale	: Refers to the resale of goods in bulk mainly in their original form to resellers. Resellers include other wholesalers and retailers
Wholesalers	: Operators that purchase in bulk for further resale primarily in its original purchased form. In the context of this Prospectus, wholesalers would include smaller enterprises that supply to shops and other retailers and food service operators such as food store operators or hawkers

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**1. CORPORATE DIRECTORY**

**BOARD OF DIRECTORS**

<b>Name/(Designation)</b>	<b>Address</b>	<b>Nationality</b>
Pauzi Bin Yaman <i>(Independent Non-Executive Chairman)</i>	6, Jalan 13/23B Danau Kota, Setapak 53300 Kuala Lumpur	Malaysian
Dr. Tiong Lee Chian <i>(Managing Director)</i>	No. 29, Jalan Keindahan 21 Taman Skudai Indah 2 81300 Skudai Johor	Malaysian
Liew Tsuey Er <i>(Executive Director)</i>	No. 29, Jalan Keindahan 21 Taman Skudai Indah 2 81300 Skudai Johor	Malaysian
Lim Poh Seong <i>(Independent Non-Executive Director)</i>	35, Jalan Puncak Desa Taman Desa 58100 Kuala Lumpur	Malaysian
Yap Koon Roy <i>(Independent Non-Executive Director)</i>	5581-E, Taman Ciptaco Bukit Baru 75450 Melaka	Malaysian
Tea Sor Hua <i>(Independent Non-Executive Director)</i>	06-10, Glomac Centro Jalan Teratai PJU 6A 47400 Petaling Jaya Selangor	Malaysian

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**1. CORPORATE DIRECTORY (Cont'd)**

**AUDIT AND RISK MANAGEMENT COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Lim Poh Seong	Chairperson	Independent Non-Executive Director
Yap Koon Roy	Member	Independent Non-Executive Director
Tea Sor Hua	Member	Independent Non-Executive Director

**REMUNERATION COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Yap Koon Roy	Chairperson	Independent Non-Executive Director
Lim Poh Seong	Member	Independent Non-Executive Director
Tea Sor Hua	Member	Independent Non-Executive Director

**NOMINATION COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Tea Sor Hua	Chairperson	Independent Non-Executive Director
Lim Poh Seong	Member	Independent Non-Executive Director
Yap Koon Roy	Member	Independent Non-Executive Director

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**1. CORPORATE DIRECTORY (Cont'd)**

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**COMPANY SECRETARIES** : Yeow Sze Min  
Professional : Malaysian Institute of Chartered Secretaries and  
Qualification : Administrators ("**MAICSA**")  
(MAICSA Membership No. 7065735)  
SSM Practicing : 201908003120  
Certificate No.

Cheng Chia Ping  
Professional : MAICSA (MAICSA Membership No. 1032514)  
Qualification  
SSM Practicing : 202008000730  
Certificate No.

Securities Services (Holdings) Sdn Bhd  
(Registration No. 197701005827 (36869-T))  
Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur

Telephone No. : (03) 2084 9000  
Facsimile No. : (03) 2094 9940

**REGISTERED OFFICE** : Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur

Telephone No. : (03) 2084 9000  
Facsimile No. : (03) 2094 9940  
Website : <http://www.securities-services.com.my>  
Email : [info@sshsb.com.my](mailto:info@sshsb.com.my)

**HEAD OFFICE** : Lot 55358, Jalan Seelong Jaya 15  
81400 Senai  
Kulai  
Johor

Telephone No. : (07) 598 1959  
Facsimile No. : (07) 598 2672 / 598 2219  
Website : <https://www.farmprice.com.my/>  
Email : [sales@farmprice.com.my](mailto:sales@farmprice.com.my)

**1. CORPORATE DIRECTORY (Cont'd)**

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- AUDITORS AND REPORTING ACCOUNTANTS** : Baker Tilly Monteiro Heng PLT (LLP0019411-LCA & AF 0117)  
Baker Tilly Tower, Level 10  
Tower 1, Avenue 5  
Bangsar South City  
59200 Kuala Lumpur
- Telephone No. : (03) 2297 1000  
Partner-in-charge : Paul Tan Hong  
Approval No. : 03459/11/2025 J  
Professional Qualification : Member of the Malaysian Institute of Accountants (MIA No. 40209) and Fellow Member of Association of Chartered Certified Accountants
- SOLICITORS FOR THE LISTING** : *To our Group as to the laws of Malaysia*
- Cheang & Ariff  
Loke Mansion  
273A, Jalan Medan Tuanku  
50300 Kuala Lumpur
- Telephone No. : (03) 2691 0803
- To our Group as to the laws of Singapore*
- Infinitus Law Corporation  
77, Robinson Road  
#16-00 Robin 77  
Singapore 068896
- Telephone No. : (65) 6221 2233
- PRINCIPAL ADVISER, SPONSOR, SOLE UNDERWRITER AND PLACEMENT AGENT** : Alliance Islamic Bank Berhad  
(Registration No. 200701018870 (776882-V))  
Level 3, Menara Multi-Purpose  
Capital Square  
8, Jalan Munshi Abdullah  
50100 Kuala Lumpur
- Telephone No. : (03) 2604 3333
- SHARE REGISTRAR** : Securities Services (Holdings) Sdn Bhd  
(Registration No. 197701005827 (36869-T))  
Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur
- Telephone No. : (03) 2084 9000



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**1. CORPORATE DIRECTORY (Cont'd)**

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**ISSUING HOUSE** : Tricor Investor & Issuing House Services Sdn Bhd  
(Registration No. 197101000970 (11324-H))  
Unit 32-01, Level 32  
Tower A, Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur

Telephone No. : (03) 2783 9299

**INDEPENDENT  
BUSINESS AND MARKET  
RESEARCH  
CONSULTANTS** : Vital Factor Consulting Sdn Bhd  
(Registration No. 199301012059 (266797-T))  
V Square @ PJ City Centre (VSQ)  
Block 6, Level 6  
Jalan Utara  
46200 Petaling Jaya  
Selangor

Telephone No. : (03) 7931 3188

Person-in-charge : Wong Wai Ling

Qualification : Bachelor of Arts from Monash University,  
Australia

Graduate Diploma in Management Studies  
from the University of Melbourne, Australia

*(Please refer to Section 7 of this Prospectus for the profile of the firm  
and signing partner)*

**LISTING SOUGHT** : ACE Market

**SHARIAH STATUS** : Approved by the SAC

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## 2. APPROVALS AND CONDITIONS

### 2.1 APPROVALS FROM RELEVANT AUTHORITIES

#### 2.1.1 Bursa Securities

Bursa Securities had, vide its letter dated 5 February 2024, approved our admission to the Official List of the ACE Market and the listing of and quotation for our entire enlarged issued share capital comprising 450,000,000 Shares on the ACE Market (“**Approval Letter**”). The approval from Bursa Securities is subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
1.	Submission of the following information with respect to the moratorium on the shareholdings of the specified shareholders to Bursa Depository:  (i) Name of shareholders  (ii) Number of shares; and  (iii) Date of expiry of the moratorium for each block of shares	To be complied upon Listing.
2.	Confirmation that approvals from other relevant authorities have been obtained for implementation of the Listing;	Complied.
3.	Bumiputera equity requirements for public listed companies as approved/exempted by the SC including any conditions imposed thereon;	To be complied.
4.	Make the relevant announcements pursuant to Paragraphs 8.1 and 8.2 of Guidance Notes 15 of Listing Requirements;	To be complied upon Listing.
5.	Furnish to Bursa Securities a copy of the schedule of distribution showing compliance with the public shareholding spread requirements based on the entire issued share capital of Farm Price Holdings on the first day of Listing;	To be complied upon Listing.
6.	In relation to the public offering to be undertaken by Farm Price Holdings, to announce at least two (2) Market Days prior to the Listing date, the result of the offering including the following:  (i) Level of subscription of public balloting and placement;  (ii) Basis of allotment/allocation;  (iii) A table showing the distribution for placement tranche as per the format in Appendix I of the Approval Letter; and  (iv) Disclosure of placees who become substantial shareholders of Farm Price Holdings arising from the public offering, if any.  AIS to ensure that the overall distribution of the Company’s securities is properly carried out to mitigate any disorderly trading in the secondary market; and	To be complied upon Listing.
7.	Farm Price Holdings/AIS to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities’ approval upon the admission of Farm Price Holdings to the Official List of the ACE Market.	To be complied upon Listing.

## 2. APPROVALS AND CONDITIONS (Cont'd)

### 2.1.2 SC

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

The SC had, vide its letter dated 6 February 2024, approved the resultant equity structure of our Group under the Bumiputera equity requirement for public listed companies pursuant to our Listing, subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
1.	Farm Price Holdings to make available at least 50.00% of the Shares offered to the Malaysian public investors via balloting to Bumiputera public investors at the point of Listing;	To be complied upon Listing.
2.	Farm Price Holdings to allocate 12.50% of its enlarged number of issued shares to Bumiputera investors to be approved or recognised by MITI within one (1) year after achieving the profit requirement for companies seeking listing on the Main Market of Bursa Securities or five (5) years after being listed on the ACE Market of Bursa Securities, whichever is earlier (" <b>Compliance Date</b> ");	To be complied.
3.	Farm Price Holdings to submit to the SC a proposal to comply with the equity condition stated in paragraph 2 above, at least six (6) months prior to the Compliance Date; and	To be complied.
4.	AIS or Farm Price Holdings to submit Farm Price Holding's equity structure to the SC upon completion of the Listing.	To be complied upon Listing.

### 2.1.3 SAC

The SAC had, vide its letters dated 17 October 2023 and 2 April 2024, classified our Shares as Shariah-compliant based on the latest audited combined financial statements of Farm Price Holdings for the FYE 2022 and FYE 2023, respectively.

## 2.2 MORATORIUM ON OUR SHARES

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

- (i) the moratorium applies to our Specified Shareholders' entire shareholdings for a period of six (6) months from the date of our admission to the ACE Market ("**First six (6)-Month Moratorium**");
- (ii) upon the expiry of the First six (6)-Month Moratorium, we must ensure that our Specified Shareholders' aggregate shareholdings amounting to at least 45% of our total number of issued Shares (adjusted for any bonus issue or subdivision of shares) will remain under moratorium for a further six (6)-months ("**Second six (6)-Month Moratorium**"); and
- (iii) upon the expiry of the Second six (6)-Month Moratorium, our Specified Shareholders may sell, transfer or assign up to a maximum of one-third ( $\frac{1}{3}$ ) per annum (on a straight line basis) of their Shares held under moratorium ("**Subsequent Moratorium Period**").

**2. APPROVALS AND CONDITIONS (Cont'd)**

Details of our Shares which will be subject to moratorium are as follows:

Name	Year 1 after Listing				Year 2 after Listing		Year 3 after Listing	
	Shares under the First six (6)-Month Moratorium		Shares under the Second six (6)-Month Moratorium		Shares under the Subsequent Moratorium Period		Shares under the Subsequent Moratorium Period	
	No. of Shares	(1) %	No. of Shares	(1) %	No. of Shares	(1) %	No. of Shares	(1) %
Dr. Tiong Lee Chian	33,400,000	7.42	-	-	-	-	-	-
Liew Tsuey Er	11,600,000	2.58	-	-	-	-	-	-
TLC Consolidation <sup>(2)</sup>	270,000,000	60.00	202,500,000	45.00	135,000,000	30.00	67,500,000	15.00
<b>Total</b>	<b>315,000,000</b>	<b>70.00</b>	<b>202,500,000</b>	<b>45.00</b>	<b>135,000,000</b>	<b>30.00</b>	<b>67,500,000</b>	<b>15.00</b>

**Notes:**

- (1) Based on our enlarged issued share capital of 450,000,000 Shares after our IPO.
- (2) TLC Consolidation is an investment holding company owned by Dr. Tiong Lee Chian (50%) and Liew Tsuey Er (50%). Please refer to Sections 5.1.2 of this Prospectus for further details on TLC Consolidation.

Our Specified Shareholders have provided written undertakings that they will not sell, transfer or assign their shareholdings under moratorium during the abovementioned moratorium period.

In accordance with Rule 3.19(2) of the Listing Requirements, where the specified shareholder is an unlisted corporation, all shareholders of the unlisted corporation must give undertakings to Bursa Securities that they will not sell, transfer or assign their shares in the unlisted corporation for the moratorium period. Pursuant thereto, the shareholders of TLC Consolidation, namely Dr. Tiong Lee Chian and Liew Tsuey Er have also provided written undertakings that they will not sell, transfer or assign their shareholdings in TLC Consolidation during the moratorium period in accordance with Rule 3.19(2) of the Listing Requirements.

The above moratorium, which is fully acknowledged and accepted by our Specified Shareholders will be specifically endorsed on the share certificates representing the entire shareholdings of our Specified Shareholders to ensure that our Share Registrar does not register any sale, transfer or assign their shareholdings that contravenes the above moratorium restrictions.

### 3. PROSPECTUS SUMMARY

This Prospectus Summary only highlights the key information from other parts of this Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Prospectus prior to deciding on whether to invest in our Shares.

#### 3.1 PRINCIPAL DETAILS OF OUR IPO

The following details relating to our IPO are derived from the full text of this Prospectus and should be read in conjunction with that text:

<b>Number of Shares to be issued under the Public Issue</b>	<b>102,000,000</b>
- <i>Malaysian Public</i>	22,500,000
- <i>Eligible Persons</i>	11,250,000
- <i>Private placement to selected investors</i>	68,250,000
<b>Number of Shares to be offered under the Offer for Sale</b>	<b>33,000,000</b>
Enlarged issued share capital upon Listing	RM40,453,204 comprising 450,000,000 Shares
IPO Price	RM0.24
Market capitalisation upon Listing ( <i>based on the IPO Price and our enlarged issued share capital after the IPO</i> )	RM108,000,000

Our Specified Shareholders' entire shareholdings after IPO will be held under moratorium for six (6) months from the date of our Listing. Thereafter, our Specified Shareholders' shareholdings amounting to 45% of our total number of issued Shares (adjusted for any bonus issue or subdivision of shares) will remain under moratorium for another six (6) months. Our Specified Shareholders may sell, transfer or assign up to a maximum of one-third ( $\frac{1}{3}$ ) per annum (on a straight line basis) of their Shares held under moratorium upon expiry of the second six (6)-month period. Further details on moratorium on our Shares and our IPO are set out in Sections 2.2 and 4.1 of this Prospectus, respectively.

#### 3.2 BACKGROUND INFORMATION OF OUR GROUP AND BUSINESS OPERATIONS

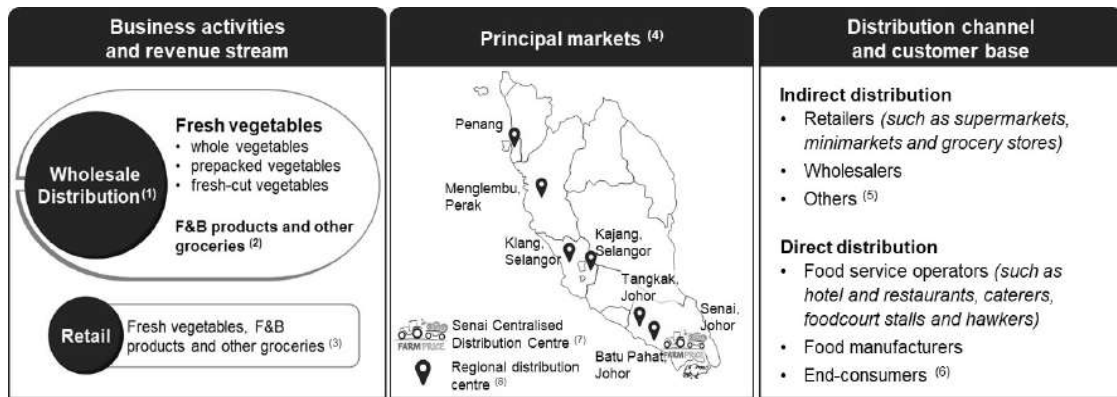
Our Company was incorporated in Malaysia under the Act on 23 May 2023 as a private limited company under the name of Farm Price Holdings Sdn Bhd and was subsequently converted to a public limited company on 26 June 2023.

Our Company is an investment holding company. The principal activities of our subsidiaries are as follows:

Company	Principal activities
Farm Price	Wholesale distribution of fresh vegetables and F&B products
FP Foods	Wholesale distribution of F&B products and groceries
Setia Kawan	Retailing of fresh vegetables, F&B products and groceries
Topstar	Wholesale distribution of fresh vegetables

**3. PROSPECTUS SUMMARY (Cont'd)**

Our Group's business model is depicted in the following diagram:

**Notes:**

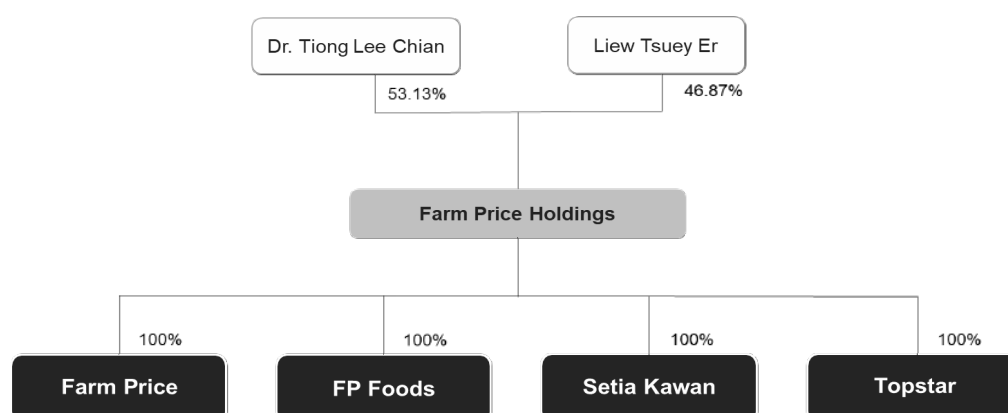
- (1) Revenue from wholesale distribution accounted for 96.71%, 95.64%, 95.93% and 93.62% of our total revenue for the Financial Years Under Review while the remaining was from retailing operations.
- (2) Include packaged beverages, spices and seasonings, other food products as well as personal care products.
- (3) For the Financial Years Under Review and up to the LPD, we operate one (1) retail store in Ulu Tiram, Johor, Malaysia.
- (4) For the Financial Years Under Review, revenue was mainly derived from Malaysia which accounted for 79.64%, 76.68%, 74.68% and 74.54% of our total revenue for the Financial Years Under Review. The remainder of our revenue was from Singapore which accounted for 20.36%, 23.32%, 25.32% and 25.46% of our total revenue for the Financial Years Under Review.
- (5) Includes ship chandlers and army camp suppliers.
- (6) Refers to walk-in customers at our retail store.
- (7) Our Senai Centralised Distribution Centre serves both Malaysia and Singapore markets for the wholesale distribution of fresh vegetables, F&B products and other groceries.
- (8) Each of our regional distribution centres focus on the wholesale distribution of F&B products and other groceries in their respective regions including northern region, central region as well as southern region of Peninsular Malaysia.

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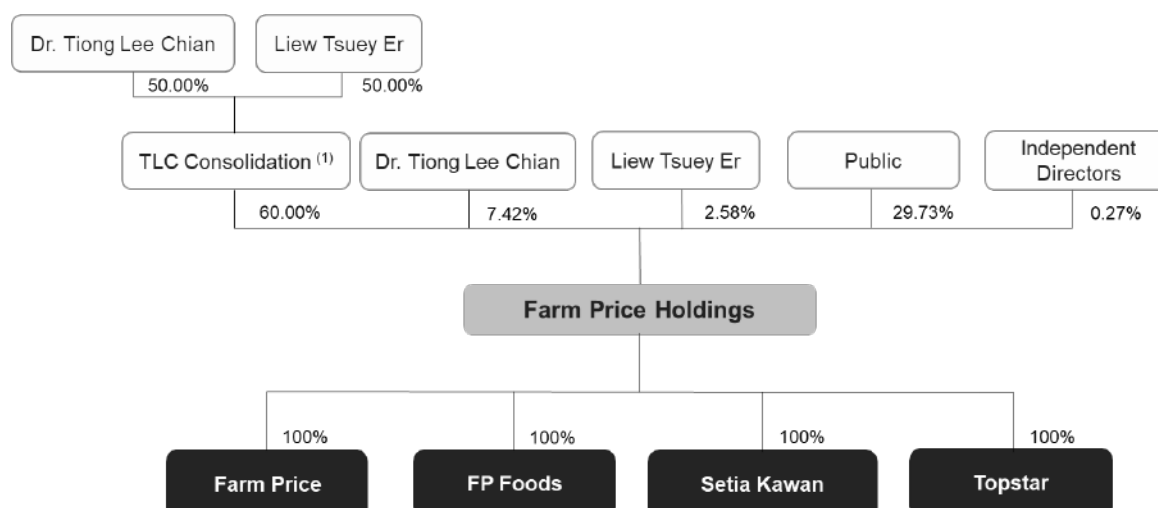
### 3. PROSPECTUS SUMMARY (Cont'd)

Our Group structure is as follows:

#### After the Acquisitions but before our IPO <sup>(1)</sup>



#### After our IPO <sup>(2)(3)</sup>



**Notes:**

- (1) Based on the issued share capital of 348,000,000 Shares after the completion of the Acquisitions but before our IPO.
- (2) Based on the enlarged issued share capital of 450,000,000 Shares after our IPO.
- (3) Assuming our Independent Non-Executive Directors and Key Senior Management will fully subscribe for their respective allocation under the Pink Form Allocation.

Further details of our Group are set out in Section 6 of this Prospectus.

### 3. PROSPECTUS SUMMARY (Cont'd)

#### 3.3 COMPETITIVE ADVANTAGES AND KEY STRENGTHS

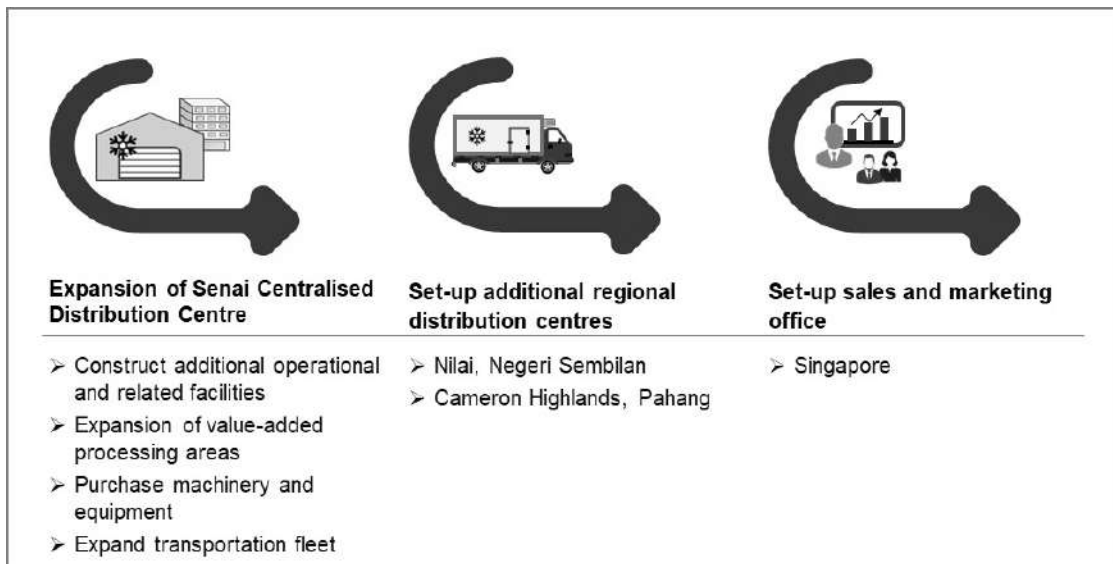
A summary of our Group's competitive advantages and key strengths is set out below:

- (i) We have an established track record of 20 years in the wholesale distribution of fresh vegetables;
- (ii) We offer a wide variety of fresh vegetables to meet the requirements of our customers with value-added services to grow our business;
- (iii) We have the key supporting infrastructure to facilitate the distribution of fresh vegetables, F&B products and other groceries to our customers;
- (iv) We have built an extensive network of suppliers in Malaysia and foreign countries to provide us with a continuous source of supply of fresh vegetables;
- (v) We have both indirect and direct distribution channels to optimise our market access and coverage of our products; and
- (vi) We have experienced Executive Directors and Key Senior Management to drive and grow our business.

Further details of our competitive advantages and key strengths are set out in Section 6.1.2 of this Prospectus.

#### 3.4 BUSINESS STRATEGIES AND PLANS

Our strategy is to continue to focus on the wholesale distribution of fresh vegetables, F&B products and other groceries. As part of our strategies, we plan to expand our operational facilities to expand our market coverage for business growth as well as enhance our supply chain in fresh vegetables. This is as illustrated in the diagram below:



Further details of our business strategies and plans are set out in Section 6.20 of this Prospectus.



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### 3. PROSPECTUS SUMMARY (*Cont'd*)

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#### 3.5 RISK FACTORS

Our business is subject to a number of risk factors, many of which may have a material adverse impact on our business operations, financial position and performance. A summary of the key risk factors is set out below:

- (i) We are subject to operational risks including disruptions in power supply and shortage of labour which may cause interruptions to our business operations;
- (ii) Our business operations may be subject to disruptions due to our non-compliance with the laws and regulations applicable to our Group's business including the risk of being prohibited from entering Singapore if we are found to contravene the requirements set by the SFA or other authorities;
- (iii) Our business is subject to the risk of foreign exchange fluctuations;
- (iv) We may not be able to effectively or successfully execute our business strategies and plans;
- (v) We may not be able to sustain our growth rate and financial performance for our business in the future
- (vi) Our business operations are dependent on our Managing Director, Executive Director and Key Senior Management;
- (vii) Our financial performance and profitability may be affected if we are unable to pass on the increases in the prices of fresh vegetables to our customers;
- (viii) We may be exposed to financial risks arising from impairment loss on trade receivables;
- (ix) We are exposed to interest rate risk that may result in financial distress if we fail to meet our financial obligations;
- (x) There is no assurance that our insurance coverage would be adequate; and
- (xi) Our business operations and financial performance may be affected by virulent diseases, epidemics or pandemics.

Further details on our risk factors are set out in Section 8 of this Prospectus which should be considered before investing in our Shares.

#### 3.6 IMPACT OF COVID-19

The World Health Organisation declared COVID-19 a pandemic on 11 March 2020. The Government of Malaysia implemented several measures including to reduce and control the spread of COVID-19 in the country, commencing on 18 March 2020. These measures include restrictions on the movement of people within Malaysia and internationally, and restrictions on business, economic and social activities.

Our Group's business was deemed as "essential services" in Malaysia and as such, we were able to continue our business operations during the various phases of the MCO in accordance with the specified guidelines and standard operating procedures prescribed by the Government of Malaysia.

Further details on the impact of COVID-19 to our business and operations are set out in Section 6.19 of this Prospectus.

**3. PROSPECTUS SUMMARY (Cont'd)**

**3.7 DIRECTORS AND KEY SENIOR MANAGEMENT OF OUR GROUP**

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

Name	Designation
<b><u>Directors</u></b>	
Pauzi Bin Yaman	Independent Non-Executive Chairman
Dr. Tiong Lee Chian	Managing Director
Liew Tsuey Er	Executive Director
Lim Poh Seong	Independent Non-Executive Director
Yap Koon Roy	Independent Non-Executive Director
Tea Sor Hua	Independent Non-Executive Director
<b><u>Key Senior Management</u></b>	
Mok Min Yee	Senior Finance Manager
Christopher Lim Thin Chee	Sales Manager
Ho Chek Keong	Logistic, Operation and Warehouse Manager
Nurul Fatina Binti Zakaria	Quality Assurance and Compliance Manager

Further details of our Directors and Key Senior Management are set out in Section 5.2 of this Prospectus.

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### 3. PROSPECTUS SUMMARY (Cont'd)

#### 3.8 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS OF OUR GROUP

The details of our Promoters and/or substantial shareholders, and their respective shareholdings in our Company before our IPO and after our IPO are as follows:

Name	Nationality/ Country of incorporation	Before our IPO/As at the LPD				After our IPO			
		<----- Direct ----->		<----- Indirect ----->		<----- Direct ----->		<----- Indirect ----->	
		No. of Shares	(1) (%)	No. of Shares	(1) (%)	No. of Shares	(2) (%)	No. of Shares	(2) (%)
Dr. Tiong Lee Chian	Malaysian	184,900,000	53.13	163,100,000	<sup>(3)</sup> 46.87	33,400,000	<sup>(4)</sup> 7.42	281,600,000	<sup>(3) (5)</sup> 62.58
Liew Tsuey Er	Malaysian	163,100,000	46.87	184,900,000	<sup>(3)</sup> 53.13	11,600,000	<sup>(4)</sup> 2.58	303,400,000	<sup>(3) (5)</sup> 67.42
TLC Consolidation <sup>(6)</sup>	Malaysia	-	-	-	-	270,000,000	60.00	-	-

**Notes:**

- (1) Based on our issued share capital of 348,000,000 Shares after the Acquisitions but before our IPO.
- (2) Based on our enlarged issued share capital of 450,000,000 Shares after the Public Issue and Offer for Sale.
- (3) Deemed interested by virtue of his/her spouse's direct shareholdings in Farm Price Holdings pursuant to Section 8 of the Act.
- (4) Assuming after the Offer for Sale, whereby Dr. Tiong Lee Chian and Liew Tsuey Er will each offer 16,500,000 Shares by way of private placement to selected investors.
- (5) Deemed interested by virtue of his/her spouse's direct shareholdings in Farm Price Holdings and their substantial shareholdings in TLC Consolidation pursuant to Section 8 of the Act.
- (6) TLC Consolidation emerges as the substantial shareholder of our Group pursuant to the Share Transfer, whereby Dr. Tiong Lee Chian and Liew Tsuey Er will transfer their respective 135,000,000 Shares to TLC Consolidation. Please refer to Section 4.1.1(d) of this Prospectus for further information.

Further details of our Promoters and substantial shareholders and their shareholdings in our Company as well as moratorium imposed on their Shares are set out in Sections 5.1 and 2.2 of this Prospectus, respectively.

### 3. PROSPECTUS SUMMARY (Cont'd)

#### 3.9 USE OF PROCEEDS

Based on the IPO Price of RM0.24, the total gross proceeds of RM24.48 million from our Public Issue will be utilised by our Group in the following manner:

Purposes	RM'000	%	Estimated time frame for use (from our Listing date)
Construction of new facilities on Lot 55359	6,400	26.14	Within 24 months
Purchase of machinery, equipment and logistics fleet	2,000	8.17	Within 24 months
Planned regional distribution and procurement centre	1,600	6.54	Within 18 months
Working capital	10,580	43.22	Within six (6) months
Estimated listing expenses	3,900	15.93	Within three (3) months
<b>Total</b>	<b>24,480</b>	<b>100.00</b>	

There is no minimum subscription level in terms of the proceeds to be raised from our IPO. Our Company will not receive any proceeds from the Offer for Sale. Further details on the use of proceeds from our IPO are set out in Section 4.4 of this Prospectus. The financial impact of the use of proceeds from our Public Issue is illustrated in our Pro Forma Combined Statements of Financial Position as at 31 December 2023 as set out in Section 11.9 of this Prospectus.

#### 3.10 FINANCIAL HIGHLIGHTS

The following table sets out a summary of our Group's audited combined financial statements for the Financial Years Under Review:

	Audited FYE			
	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000
Revenue	73,540	81,966	94,376	114,199
Cost of sales	(61,488)	(70,339)	(78,955)	(91,121)
GP	12,052	11,627	15,421	23,078
Other income	1,243	1,745	1,535	1,379
PBT	3,889	3,950	6,138	11,783
PAT	2,863	3,115	4,748	8,702
Total assets	42,128	44,090	43,337	48,460
Total equity	7,991	11,109	15,901	24,697
Total liabilities	34,137	32,981	27,436	23,763

**3. PROSPECTUS SUMMARY (Cont'd)**

The key financial ratios of our Group are as follows:

	Audited FYE			
	2020	2021	2022	2023
GP margin <sup>(1)</sup> (%)	16.39	14.19	16.34	20.21
PBT margin <sup>(2)</sup> (%)	5.29	4.82	6.50	10.32
PAT margin <sup>(3)</sup> (%)	3.89	3.80	5.03	7.62
Effective tax rate (%)	26.38	21.14	22.65	26.15
Trade receivables turnover period <sup>(4)</sup> (days)	37	35	35	43
Trade payables turnover period <sup>(5)</sup> (days)	40	41	26	27
Inventories turnover period <sup>(6)</sup> (days)	13	16	12	19
Current ratio <sup>(7)</sup> (times)	1.01	0.93	1.14	1.71
Gearing ratio <sup>(8)</sup> (times)	2.66	1.66	0.96	0.52
Interest coverage ratio <sup>(9)</sup> (times)	6.09	5.99	10.74	21.72

**Notes:**

- (1) GP margin is calculated based on GP divided by revenue.
- (2) PBT margin is calculated based on PBT divided by revenue.
- (3) PAT margin is calculated based on PAT divided by revenue.
- (4) Computed based on trade receivables of the respective financial years over the revenue of the respective financial year, multiplied by 365 days.
- (5) Computed based on trade payables of the respective financial years over the cost of sales of the respective financial year, multiplied by 365 days.
- (6) Computed based on inventories of the respective financial year over the cost of sales of the respective financial year, multiplied by 365 days.
- (7) Computed based on current assets divided by current liabilities.
- (8) Computed based on total borrowings (excluding lease liabilities on right-of-use assets) divided by total equity.
- (9) Computed based on earnings before interest and taxes divided by total interest expenses (excluding lease liabilities interest on right-of-use-assets).

Further details of our Group's financial information are set out in Section 11 of this Prospectus.

**3.11 DIVIDEND POLICY**

Our Group presently does not have a fixed dividend policy. Our Group's ability to distribute dividends or make other distributions to our shareholders is subject to various factors, such as profit recorded and excess of funds not required to be retained for working capital of our business.

Our Group declared dividends of RM1.04 million in the FYE 2020, which represented 36.36% of our Group's PAT in the FYE 2020. As at the LPD, our Group has no intention to declare further dividends prior to our IPO.

Further details of our dividend policy are set out in Section 11.8 of this Prospectus.

## 4. PARTICULARS OF OUR IPO

### 4.1 DETAILS OF OUR IPO

#### 4.1.1 Listing Scheme

Our Listing Scheme in conjunction with and as an integral part of the listing and quotation of our entire enlarged issued share capital on the ACE Market involves the following:

- (a) Acquisitions;
- (b) Public Issue;
- (c) Offer for Sale;
- (d) Share Transfer; and
- (e) Listing.

#### (a) Acquisitions

Our Company entered into the SSA and Supplemental SSA for the following:

##### (i) Acquisition of Farm Price

Acquisition of the entire issued share capital of Farm Price of RM2,450,000 comprising 2,450,000 ordinary shares from the shareholders of Farm Price for a total purchase consideration of RM9,661,950. The purchase consideration was entirely satisfied by the issuance of 210,500,000 new Shares at an issue price of approximately RM0.0459 per Share to the shareholders of Farm Price, namely, Dr. Tiong Lee Chian and Liew Tsuey Er, our Promoters, Specified Shareholders and substantial shareholders.

The abovementioned 210,500,000 new Shares were issued to the shareholders of Farm Price as follows:

Shareholders of Farm Price	Shareholdings held in Farm Price	Purchase consideration	No. of Farm Price Holdings Shares issued
	(%)	(RM)	
Dr. Tiong Lee Chian	50.00	4,830,975	105,250,000
Liew Tsuey Er	50.00	4,830,975	105,250,000
<b>Total</b>	<b>100.00</b>	<b>9,661,950</b>	<b>210,500,000</b>

The purchase consideration of RM9,661,950 was arrived at on a willing buyer-willing seller basis and after taking into account the audited NA of Farm Price as at 31 December 2022 of approximately RM9.66 million.

The Acquisition of Farm Price was completed on 22 March 2024 and Farm Price subsequently became a wholly-owned subsidiary of our Company.

**4. PARTICULARS OF OUR IPO (Cont'd)****(ii) Acquisition of FP Foods**

Acquisition of the entire issued share capital of FP Foods of RM800,000 comprising 800,000 ordinary shares from the shareholders of FP Foods for a total purchase consideration of RM3,364,424. The purchase consideration was entirely satisfied by the issuance of 73,299,000 new Shares in aggregate at an issue price of approximately RM0.0459 per Share to the shareholders of FP Foods, namely, Dr. Tiong Lee Chian and Liew Tsuey Er, our Promoters, Specified Shareholders and substantial shareholders.

The abovementioned 73,299,000 new Shares were issued to the shareholders of FP Foods as follows:

Shareholders of FP Foods	Shareholdings held in FP Foods	Purchase consideration	No. of Farm Price Holdings Shares issued
	(%)	(RM)	
Dr. Tiong Lee Chian	50.00	1,682,212	36,649,500
Liew Tsuey Er	50.00	1,682,212	36,649,500
<b>Total</b>	<b>100.00</b>	<b>3,364,424</b>	<b>73,299,000</b>

The purchase consideration of RM3,364,424 was arrived at on a willing buyer-willing seller basis and after taking into account the audited NA of FP Foods as at 31 December 2022 of approximately RM3.36 million.

The Acquisition of FP Foods was completed on 22 March 2024 and FP Foods subsequently became a wholly-owned subsidiary of our Company.

**(iii) Acquisition of Setia Kawan**

Acquisition of the entire issued share capital of Setia Kawan of RM480,002 comprising 480,002 ordinary shares from the shareholders of Setia Kawan for a total purchase consideration of RM1,946,160. The purchase consideration was entirely satisfied by the issuance of 42,400,000 new Shares in aggregate at an issue price of approximately RM0.0459 per Share to the shareholders of Setia Kawan, namely, Dr. Tiong Lee Chian and Liew Tsuey Er, our Promoters, Specified shareholders and substantial shareholders.

The abovementioned 42,400,000 new Shares were issued to the shareholders of Setia Kawan as follows:

Shareholders of Setia Kawan	Shareholdings held in Setia Kawan	Purchase consideration	No. of Farm Price Holdings Shares issued
	(%)	(RM)	
Dr. Tiong Lee Chian	50.00	973,080	21,200,000
Liew Tsuey Er	50.00	973,080	21,200,000
<b>Total</b>	<b>100.00</b>	<b>1,946,160</b>	<b>42,400,000</b>

The purchase consideration of RM1,946,160 was arrived at on a willing buyer-willing seller basis and after taking into account the audited NA of Setia Kawan as at 31 December 2022 of approximately RM1.95 million.

The Acquisition of Setia Kawan was completed on 22 March 2024 and Setia Kawan subsequently became a wholly-owned subsidiary of our Company.

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**4. PARTICULARS OF OUR IPO (Cont'd)**

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**(iv) Acquisition of Topstar**

Acquisition of the entire issued share capital of Topstar of RM61,266 comprising 20,002 ordinary shares from the sole shareholder of Topstar for a total purchase consideration of RM1,000,620. The purchase consideration was entirely satisfied by the issuance of 21,800,000 new Shares in aggregate at an issue price of approximately RM0.0459 per Share to the sole shareholder of Topstar, namely, Dr. Tiong Lee Chian, our Promoter, Specified Shareholder and substantial shareholder.

The purchase consideration of RM1,000,620 was arrived at on a willing buyer-willing seller basis and after taking into account the audited NA of Topstar as at 31 December 2022 of approximately RM1.00 million.

The Acquisition of Topstar was completed on 22 March 2024 and Topstar subsequently became a wholly-owned subsidiary of our Company.

The Acquisitions are conditional upon, among others, the approval to be obtained from Bursa Securities and other relevant regulatory authorities in respect of our Listing.

Upon completion of the Acquisitions, the issued share capital of our Company increased to RM15,973,204 comprising 348,000,000 Shares.

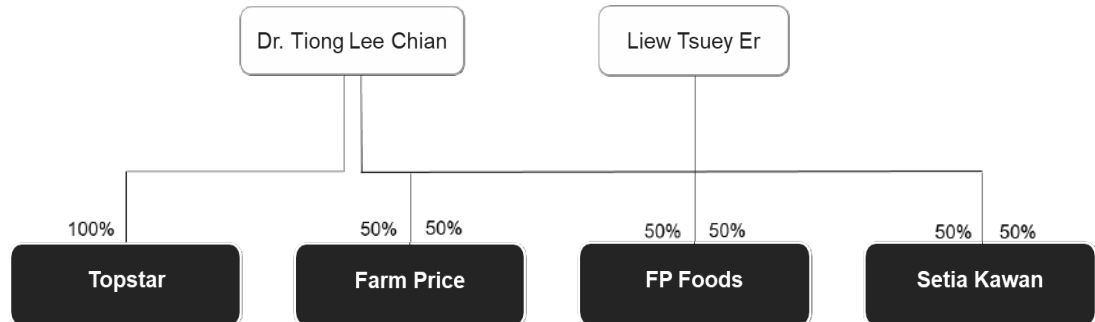
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**4. PARTICULARS OF OUR IPO (Cont'd)**

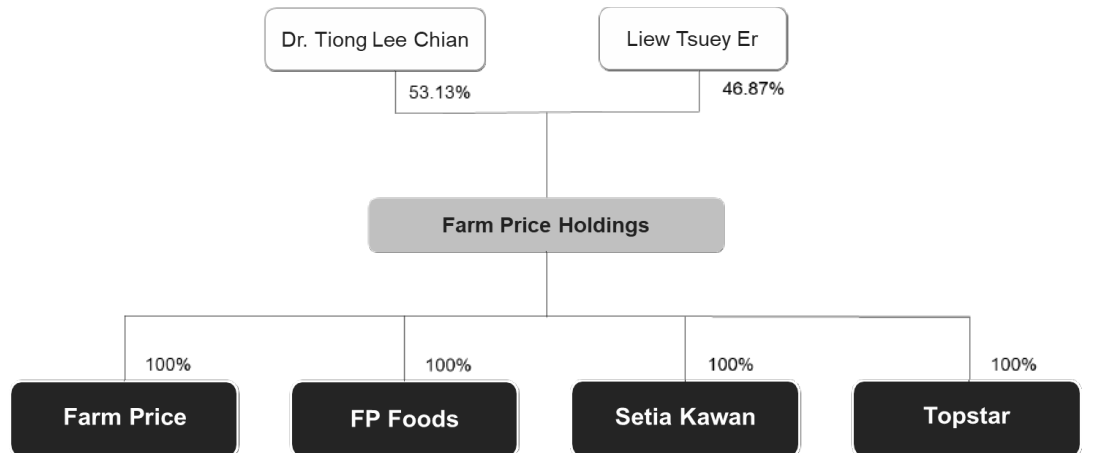
The changes on the Farm Price Group and shareholdings structure before and after the Acquisitions are illustrated below:

**Before the Acquisitions**



**After the Acquisitions**

Upon completion of the Acquisitions, the shareholding structure of our Group will be as follows:



**(b) Public Issue**

The Public Issue of 102,000,000 new Shares, representing 22.67% of our enlarged issued share capital upon Listing, at the IPO Price, is payable in full on Application upon such terms and conditions as set out in this Prospectus and will be allocated and allotted in the following manner:

**(i) Malaysian Public**

22,500,000 new Shares, representing 5.00% of our enlarged issued share capital, will be made available for application by the Malaysian Public via balloting, of which at least 50.00% is to be set aside strictly for Bumiputera investors. Any Issue Shares reserved under the Malaysian Public balloting portion which are not fully subscribed for by the Malaysian Public will be made available for subscription as follows:

- (a) firstly, by the Eligible Persons (excluding the eligible Directors) under the Pink Form Allocation as described in Section 4.1.1(b)(ii) of this Prospectus;
- (b) secondly, by our selected investors as described in Section 4.1.1(b)(iii) of this Prospectus; and
- (c) lastly, by our Sole Underwriter based on the terms of the Underwriting Agreement.

**4. PARTICULARS OF OUR IPO (Cont'd)**

**(ii) Eligible Persons**

11,250,000 new Shares, representing 2.50% of our enlarged issued share capital, will be made available for application by the Eligible Persons.

We will allocate the Issue Shares to the Eligible Persons in the following manner:

<b>Eligibility</b>	<b>No. of persons</b>	<b>Aggregate number of Issue Shares allocated</b>
Directors of Farm Price Holdings <sup>(1)</sup>	4	1,200,000
Employees <sup>(2)</sup>	Up to 58	4,050,000
Persons who have contributed to the success of our Group <sup>(3)</sup>	Up to 68	6,000,000
<b>Total</b>	<b>Up to 130</b>	<b>11,250,000</b>

**Notes:**

- (1) *The criteria of allocation to our eligible Directors are based on, among others, their respective roles and responsibilities in our Group.*

*The number of Issue Shares to be allocated to our Directors (save for our Managing Director and Executive Director) are as follows:*

<b>Name</b>	<b>Designation</b>	<b>Number of Issue Shares allocated</b>
<i>Pauzi Bin Yaman</i>	<i>Independent Non-Executive Chairman</i>	<i>300,000</i>
<i>Lim Poh Seong</i>	<i>Independent Non-Executive Director</i>	<i>300,000</i>
<i>Yap Koon Roy</i>	<i>Independent Non-Executive Director</i>	<i>300,000</i>
<i>Tea Sor Hua</i>	<i>Independent Non-Executive Director</i>	<i>300,000</i>
<b>Total</b>		<b>1,200,000</b>

- (2) *The criteria of allocation to the eligible employees of our Group (as approved by our Board) are based on, among others, the following factors:*

- (i) *the employee must be a full-time employee and on the payroll of our Group; and*
- (ii) *the number of Issue Shares allocated to the eligible employees is based on their position, their length of service and their past performance/contribution as well as other factors deemed relevant by our Board.*

#### 4. PARTICULARS OF OUR IPO (Cont'd)

The number of Issue Shares to be allocated to our Key Senior Management are as follows:

<b>Name</b>	<b>Designation</b>	<b>Number of Issue Shares allocated</b>
Mok Min Yee	Senior Finance Manager	310,000
Christopher Lim Thin Chee	Sales Manager	330,000
Ho Chek Keong	Logistic, Operation and Warehouse Manager	310,000
Nurul Fatina Binti Zakaria	Quality Assurance and Compliance Manager	320,000
<b>Total</b>		<b>1,270,000</b>

- (3) The Issue Shares to be allocated to the persons who have contributed to the success of our Group, comprising our business contacts, suppliers and customers, shall be based on their contribution to our Group and as approved by our Board.

Any Issue Shares reserved under the Pink Form Allocation which are not taken up will be made available for subscription as follows (subject always to the availability of the Issue Shares):

- (a) firstly, by other Eligible Persons (excluding the eligible Directors);
- (b) secondly, by the Malaysian Public and our selected investors as described in Sections 4.1.1(b)(i) and 4.1.1(b)(iii) of this Prospectus, respectively; and
- (c) lastly, by our Sole Underwriter based on the terms of the Underwriting Agreement.

As at the LPD, save as disclosed in Section 4.3 of this Prospectus, to the extent known to our Company:

- (a) there are no substantial shareholders, Directors or Key Senior Management of our Company who have indicated to us that they intend to subscribe for the Issue Shares; and
- (b) there are no persons who have indicated to us that they intend to subscribe for more than 5.00% of the Issue Shares.

#### (iii) Private placement to selected investors

68,250,000 new Shares, representing 15.17% of our enlarged issued share capital, will be made available by way of private placement to selected investors.

The Issue Shares reserved under the private placement to selected investors are not underwritten as written irrevocable undertakings to subscribe for these Issue Shares will be obtained from the respective identified investors.

In the event of undersubscription of the Issue Shares by the selected investors under the private placement, the remaining portion will be clawed back and reallocated to the Malaysian Public as part of the balloting process on a fair and equitable manner.

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**4. PARTICULARS OF OUR IPO (Cont'd)**

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The basis of allocation of our Issue Shares shall take into account the desirability of distributing our Issue Shares to a reasonable number of applicants with a view of broadening the shareholding base of our Company to meet the public spread requirements and to establish a liquid and adequate market for our Shares. Our Board will ensure that Issue Shares will be allocated on a fair and equitable manner.

There is no over-allotment or “greenshoe” option that will result in an increase in the amount of our Issue Shares.

The salient terms of the Underwriting Agreement are set out in Section 4.6 of this Prospectus.

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**4. PARTICULARS OF OUR IPO (Cont'd)**

**(c) Offer for Sale**

Concurrent with the Public Issue, the Offerors will offer 33,000,000 Offer Shares, representing 7.33% of our enlarged issued share capital by way of private placement at the IPO Price to selected investors. Our Offer for Sale is subject to the terms and conditions of this Prospectus.

The Offer Shares reserved under the private placement to selected investors are not underwritten as written irrevocable undertakings to subscribe for these Offer Shares will be obtained from the respective identified investors.

The details of our Offerors and their relationship with our Group are as follows:

Name and Address	Nature of relationship	Before our IPO/ As at LPD		Offer for Sale			After the Offer for Sale		Share Transfer <sup>(3)</sup>		After Share Transfer and our IPO <sup>(4)</sup>	
		No. of Shares	<sup>(1)</sup> %	No. of Shares	<sup>(1)</sup> %	<sup>(2)</sup> %	No. of Shares	<sup>(2)</sup> %	No. of Shares	<sup>(2)</sup> %	No. of Shares	<sup>(2)</sup> %
Dr. Tiong Lee Chian No. 29, Jalan Keindahan 21 Taman Skudai Indah 2 81300 Skudai, Johor	Promoter, Specified Shareholder, substantial shareholder and Managing Director	184,900,000	53.13	16,500,000	4.74	3.67	168,400,000	37.42	135,000,000	30.00	33,400,000	7.42
Liew Tsuey Er No. 29, Jalan Keindahan 21 Taman Skudai Indah 2 81300 Skudai, Johor	Promoter, Specified Shareholder, substantial shareholder and Executive Director	163,100,000	46.87	16,500,000	4.74	3.67	146,600,000	32.58	135,000,000	30.00	11,600,000	2.58

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**4. PARTICULARS OF OUR IPO (Cont'd)**

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**Notes:**

- (1) *Based on our issued share capital of 348,000,000 Shares after the Acquisitions but before our IPO.*
- (2) *Based on our enlarged issued share capital of 450,000,000 Shares after our IPO.*
- (3) *Dr. Tiong Lee Chian and Liew Tseuy Er will transfer 135,000,000 Shares respectively to TLC Consolidation.*
- (4) *Upon completion of the IPO, TLC Consolidation emerges as the substantial shareholder of our Group pursuant to the Share Transfer. Please refer to Section 4.1.1(d) of this Prospectus for further information.*

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#### 4. PARTICULARS OF OUR IPO (Cont'd)

##### (d) Share Transfer

During the prescription period (one (1) day after the launching date of the Prospectus up to a period of 30 days), our Managing Director and Executive Director will transfer their respective shareholdings set out below in conjunction with the IPO amounting to 270,000,000 Shares to TLC Consolidation. Further details of the Share Transfer to TLC Consolidation are set out below:

Managing Director/ Executive Director	No. of Shares held before Share Transfer	(1) %	No. of Shares to be transferred	(1) %	No. of Shares held after Share Transfer	(1) %
Dr. Tiong Lee Chian	168,400,000	37.42	(135,000,000)	(30.00)	33,400,000	7.42
Liew Tsuey Er	146,600,000	32.58	(135,000,000)	(30.00)	11,600,000	2.58
<b>Total</b>	<b>315,000,000</b>	<b>70.00</b>	<b>(270,000,000)</b>	<b>(60.00)</b>	<b>45,000,000</b>	<b>10.00</b>

**Note:**

(1) Based on our enlarged issued share capital of 450,000,000 Shares after our IPO.

TLC Consolidation is an investment holding company, and is held by Dr. Tiong Lee Chian (with an equity interest of 50%) and Liew Tsuey Er (with an equity interest of 50%), respectively. The Share Transfer to TLC Consolidation will enable 60.00% of the shareholdings in our Company held by our Managing Director and Executive Director to be held collectively via TLC Consolidation for family succession planning purposes. Dr. Tiong Lee Chian and Liew Tsuey Er are spouses.

Please refer to Section 5.1.2 of this Prospectus for further details on TLC Consolidation and Section 5.7 for further details of the family relationship between our Managing Director and Executive Director.

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**4. PARTICULARS OF OUR IPO (Cont'd)****(e) Listing**

Upon completion of our IPO, Our Company's entire enlarged issued share capital of RM40,453,204 comprising 450,000,000 Shares shall be listed on the ACE Market.

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

	<b>No. of Shares</b>	<b>Share capital (RM)</b>
Issued share capital as at the date of this Prospectus	348,000,000	15,973,204
New Shares to be offered pursuant to the Public Issue	102,000,000	24,480,000
<b>Enlarged issued share capital upon Listing</b>	<b>450,000,000</b>	<b>40,453,204</b>
<b>Offer for Sale *</b>	<b>33,000,000</b>	<b>7,920,000</b>
<b>IPO Price</b>		<b>0.24</b>
<b>Pro forma consolidated NA per Share as at 31 December 2023</b> <i>(based on our enlarged issued share capital after our IPO and after the use of proceeds raised from our Public Issue)</i>		0.10
<b>Market capitalisation upon Listing</b> <i>(based on the IPO Price and our enlarged issued share capital after our IPO)</i>		108,000,000

**Note:**

\* Our Offer for Sale will not have any effect on our share capital.

The IPO Price is payable in full upon Application.

We only have one (1) class of shares, being ordinary shares, all of which rank equally with each other. Our Issue Shares will, upon allotment and issuance, rank equally in all respects with our existing issued share capital, including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of allotment of our Issue Shares.

Our Offer Shares rank equally in all respects with our existing issued share capital, including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of transfer of our Offer Shares.

Subject to special rights attaching to any Share which may be issued by us in the future, our shareholders shall, in proportion to the Shares held by them, be entitled to share in the whole of the profits paid out by us as dividends and other distributions, and the whole of any surplus in the event of our liquidation, such surplus to be distributed among the members in proportion to the issued share capital at the commencement of the liquidation, in accordance with our Constitution and provisions of the Act.



#### 4. PARTICULARS OF OUR IPO (Cont'd)

At any general meeting of our Company, each shareholder shall be entitled to vote in person, by proxy or by attorney or by a duly authorised representative under the instrument of proxy or certificate of appointment of corporate representative or power of attorney (“**Authorised Representative**”). On a show of hands, each present shareholder either in person, by proxy, by attorney or Authorised Representative shall have one (1) vote. On a poll, each present shareholder either in person, by proxy, by attorney or Authorised Representative shall have one (1) vote for each Share held. A proxy may but need not be a shareholder of our Company.

#### 4.2 BASIS OF ARRIVING AT THE IPO PRICE

Our IPO Price was determined and agreed by our Directors and Promoters and together with AIS, being our Principal Adviser, Sponsor, Sole Underwriter and Placement Agent after taking into consideration the following factors:

**(1) Financial and operating history**

Based on our historical audited combined statements of profit or loss and other comprehensive income of our Group for the FYE 2023, we recorded a PAT of RM8.70 million representing an EPS of 2.50 sen (based on the existing issued share capital of 348,000,000 Shares) and 1.93 sen (based on the enlarged issued share capital of 450,000,000 Shares upon Listing) resulting in PE Multiple of 9.60 times and 12.44 times, respectively based on the IPO Price.

The adjusted PAT for the FYE 2023 after excluding the one-off net gain from the disposal of investment properties of RM0.69 million, expenses in relation to the said disposals of RM0.12 million, expenses incurred for the Listing of RM1.55 million for the FYE 2023 and incidental tax adjustments, would be RM9.33 million. Based on the adjusted PAT of RM9.33 million for the FYE 2023, this would translate into an EPS of 2.68 sen (based on the existing issued share capital of 348,000,000 Shares) and adjusted EPS of 2.07 sen (based on the enlarged issued share capital of 450,000,000 Shares upon Listing) and a PE Multiple of 8.96 times and 11.59 times, respectively based on the IPO Price.

Our detailed operating and financial history is outlined in Sections 6 and 11 of this Prospectus, respectively.

**(2) Business strategies**

Our business strategies and future plans are outlined in Section 6.20 of this Prospectus.

**(3) Competitive advantages, key strengths, and industry overview**

Our competitive advantages and key strengths are outlined in Section 6.1.2 of this Prospectus, and the industry overview and prospects as set out in the IMR Report in Section 7 of this Prospectus.

**(4) Pro forma consolidated NA**

The pro forma consolidated NA per Share as at 31 December 2023 of RM0.10 based on the enlarged issued share capital of 450,000,000 Shares in our Company upon Listing and after the use of proceeds from our Public Issue as set out in Section 4.4 of this Prospectus.

You should note that the market price of our Shares upon and subsequent to our Listing is subject to the vagaries of market forces and other uncertainties, which may affect the market price of our Shares. You should form your own views on the valuation of our IPO Shares and reasonableness of the bases used before deciding to invest in our IPO Shares. You are also reminded to consider carefully the risk factors set out in Section 8 of this Prospectus.

#### 4. PARTICULARS OF OUR IPO (Cont'd)

##### 4.3 DILUTION

Dilution is computed as the difference between our IPO Price paid by investors for our IPO Shares and the pro forma combined NA per Share of our Group immediately after our IPO. The following table illustrates the effect in our Group's pro forma combined NA per Share to our shareholders:

	RM
IPO Price	0.24
Pro forma consolidated NA per Share as at 31 December 2023 before the Public Issue	0.07
Pro forma consolidated NA per Share as at 31 December 2023 after the Public Issue and use of proceeds	0.10
Increase in NA per Share attributable to existing shareholders	0.03
Dilution in NA per Share to new investors	0.14
Dilution in NA per Share as a percentage of the IPO Price	58.33%

Further details of our Group's pro forma combined NA per Share as at 31 December 2023 are set out in Section 11.9 of this Prospectus.

Save as disclosed below, there has been no acquisition of any of our Shares by our Promoters, Directors, substantial shareholders, Key Senior Management or persons connected with them, or any transaction entered into by them which grants them the right to acquire any of our Shares since our incorporation up to the LPD:

Name	(1) No. of Shares held before our IPO	(2) No. of Shares held from our IPO	Total consideration (RM)	Effective cost per Share (RM)
<b>Promoters, Specified Shareholders, substantial shareholders and Directors</b>				
Dr. Tiong Lee Chian	184,900,000	-	8,486,887	0.0459
Liew Tsuey Er	163,100,000	-	7,486,267	0.0459
<b>Promoter, Specified Shareholder, substantial shareholder</b>				
TLC Consolidation	-	270,000,000	64,800,000	0.24
<b>Other Directors</b>				
Pauzi Bin Yaman	-	300,000	72,000	0.24
Lim Poh Seong	-	300,000	72,000	0.24
Yap Koon Roy	-	300,000	72,000	0.24
Tea Sor Hua	-	300,000	72,000	0.24
<b>Key Senior Management</b>				
Mok Min Yee	-	310,000	74,400	0.24
Christopher Lim Thin Chee	-	330,000	79,200	0.24
Ho Chek Keong	-	310,000	74,400	0.24
Nurul Fatina Binti Zakaria	-	320,000	76,800	0.24

**4. PARTICULARS OF OUR IPO (Cont'd)****Notes:**

- (1) After the completion of the Acquisitions but before our IPO.
- (2) After the Share Transfer and assuming our Independent Non-Executive Directors/Key Senior Management will fully subscribe for their respective allocation under the Pink Form Allocation.

**4.4 USE OF PROCEEDS**

The total gross proceeds from the Public Issue will amount to RM24.48 million based on the IPO Price. We expect the proceeds to be used in the following manner:

Purposes	RM'000	%	Estimated time frame for use (from our Listing date)
Construction of new facilities on Lot 55359	6,400	26.14	Within 24 months
Purchase of machinery, equipment and logistics fleet	2,000	8.17	Within 24 months
Planned regional distribution and procurement centre	1,600	6.54	Within 18 months
Working capital	10,580	43.22	Within six (6) months
Estimated listing expenses	3,900	15.93	Within three (3) months
<b>Total</b>	<b>24,480</b>	<b>100.00</b>	

There is no minimum subscription to be raised from the IPO. Our Company will not receive any proceeds from the Offer for Sale

Pending the eventual use of proceeds raised from our Public Issue, the proceeds will be placed in interest-bearing short-term deposits and/or money market instruments/funds with licenced financial institutions.

**4.4.1 Construction of new facilities**

As at the LPD, our Group's Senai Centralised Distribution Centre has a total built-up area of 78,721 sq. ft. comprising cold room facilities for storage, processing and packing areas as well as ambient temperature storage, processing and packing space. In November 2022, our Group acquired Lot 55359, located behind the existing Senai Centralised Distribution Centre from our Managing Director, Dr. Tiong Lee Chian. Please refer to Section 9.1.1 of this Prospectus for further details. The total purchase consideration for Lot 55359 was RM2.59 million and the acquisition was completed in February 2023.

The total estimated cost for the construction of the additional operational and related facilities at Lot 55359 is estimated at RM18.30 million which will be funded using a combination of internally generated funds and/or bank borrowings and IPO proceeds. We intend to allocate RM6.40 million, representing 26.14% of the proceeds from our Public Issue to expand our Senai Centralised Distribution Centre by constructing additional facilities on Lot 55359 to cater for our future business expansion. The additional facilities include the following:

- two (2)-storey operational building with office, cold room and related facilities; and
- other related facilities including a four (4)-storey workers' accommodation facilities and one (1) covered workshop for in-house fleet maintenance and upkeep.

**4. PARTICULARS OF OUR IPO (Cont'd)**

The total estimated costs for the expansion of our Senai Centralised Distribution Centre and the utilisation of proceeds are as follows:

	Note	( <sup>1</sup> ) Total estimated cost (RM'000)	To be funded via IPO proceeds (RM'000)
(i) Operational building	(i)	<b>14,800</b>	<b>5,300</b>
▪ construction of building		10,000	2,000
▪ mechanical and electrical works		1,500	300
▪ purchase and installation of cold storage facilities		2,500	2,500
▪ purchase and installation of racking system		500	500
▪ office fit-out		300	-
(ii) Other related facilities	(ii)	<b>3,500</b>	<b>1,100</b>
▪ four (4)-storey workers' accommodation facilities		3,000	600
▪ a covered workshop for in-house fleet maintenance and upkeep		500	500
<b>Total</b>		<b>18,300</b>	<b>6,400</b>

**Notes:**

- (i) The additional operational building will be two (2) storeys, equipped with cold room facilities for the storage, processing and packing of fresh vegetables, as well as an ambient temperature warehouse space for the storage of F&B products and groceries. Upon completion of the construction, the operational building will have an additional total built-up area of approximately 70,827 sq. ft. which comprises approximately additional 4,000 sq. ft. of cold room and related facilities. With the additional cold room space, our cold room capacity will increase from approximately 29,600 pallets per year to 40,000 pallets per year by 2026.
- (ii) The expansion of other related facilities including the construction of workers' accommodation facilities with a total built-up area of approximately 12,478 sq. ft. designed to accommodate 120 persons. The workers' accommodation facilities will include among other, common rest room and dining area, common kitchen and food preparation areas as well as washroom. We will move our workers' accommodation from our Senai Centralised Distribution Centre to the new four (4)-storey workers' accommodation facilities. Meanwhile, the vacant workers' accommodation at our Senai Centralised Distribution Centre will be repurposed as office space.

#### 4. PARTICULARS OF OUR IPO (Cont'd)

As at the LPD, our wholesale distribution business is also supported by our own fleet of 39 trucks including 14 refrigerated trucks and 25 other trucks including canvas lorries and box trucks. As at the LPD, we have been managing our fleet in-house which is supported by a team of three (3) mechanics to carry out regular maintenance and upkeep of our own fleet of delivery trucks. In relation thereto, our Group also intends to expand our in-house fleet maintenance facility by constructing a covered workshop with a built-up area of approximately 1,485 sq. ft. to cater for the expansion of our wholesale distribution operations.

The construction for both of these facilities are expected to be completed in Q4 2025.

- (1) As at the LPD, we have engaged an architect for the preparation and submission of building plan. The estimated cost of construction was based on preliminary quotation obtained.

The remainder of the total estimated cost for the construction of the additional operational and related facilities will be funded via internally generated funds and/or bank borrowings. As at the LPD, we have accepted the letter of offer from the financial institution for the financing for the construction of additional operational and related facilities at our Senai Centralised Distribution Centre. For the avoidance of doubt, the final total built-up area of the completed buildings and other related facilities may vary and be subject to change depending on the final approved design layout, costs involved and other relevant factors that are not within the control of our Group.

Further details are set out in Section 6.20.1 of this Prospectus.

#### 4.4.2 Purchase of machinery, equipment and fleet

##### (a) Purchase of machinery and equipment

As part of our Group's expansion plans for the Senai Centralised Distribution Centre, we intend to further expand our processing facilities by purchasing new machinery and equipment for our business expansion.

As at the LPD, the processing of fresh vegetables such as peeling, cutting and packing activities are done manually as well as by using machines including cutting machines, peeling machines, packing machine and vacuum precooling equipment. As part of our Group's plans to improve workflow efficiency, our Group intends to purchase additional machinery and equipment such as automated packing machines, peeling machines, cutting machines and vacuum precooling equipment for our processing operations and these will be placed at our existing and new operational buildings. The planned purchases of the new machineries are additions to our existing machineries which will enable us to cater for the anticipated increase in our customers' orders and also to reduce the use of labour for our processing operations.

The total estimated cost of the new machinery and equipment is RM2.80 million of which RM1.70 million will be funded via our IPO proceeds. The details of the breakdown are as follows:

Type of machine	Number of units	<sup>(1)</sup> Total estimated cost (RM'000)	To be funded via IPO proceeds (RM'000)
Automated packing machines	3	1,200	800
Peeling machines	3	700	500
Cutting machines	4	600	400
Vacuum precooling equipment	1	300	-
<b>Total</b>	<b>11</b>	<b>2,800</b>	<b>1,700</b>

**4. PARTICULARS OF OUR IPO (Cont'd)****Note:**

- (1) Based on quotation obtained for the purchase of machinery and equipment.

For the avoidance of doubt, the remaining portion will be funded via a combination of internally generated funds and/or bank borrowings. As at the LPD, we have accepted the letter of offer from the financial institution for the financing for the purchase of machinery and equipment. Further details are set out in Section 6.20.1.3 of this Prospectus.

**(b) Expansion of our transportation fleet**

Part of our Group's strategies is also to expand our fleet of refrigerated and ambient trucks to cater for business expansion and growth. As at the LPD, we have a fleet of 39 trucks including 14 refrigerated trucks and 25 other trucks to support our wholesale distribution operations and transport fresh vegetables to customers in Johor and Singapore as well as F&B products and other groceries to the other regions of Peninsular Malaysia.

In this respect, we intend to purchase 16 additional trucks including eight (8) refrigerated trucks and eight (8) ambient temperature trucks between 2024 and 2026.

The total estimated cost for the purchase of the additional transportation fleet is RM3.00 million whereby RM0.30 million will be funded using our IPO proceeds and the remaining will be fully funded using a combination of internally generated funds and/or bank borrowings. As at the LPD, we have accepted the letter of offer from the financial institution for the financing for the purchase of the additional trucks. The details of the breakdown are as follows:

<b>Type of transportation fleet</b>	<b>Number of units</b>	<b><sup>(1)</sup> Total estimated cost (RM'000)</b>	<b>To be funded via IPO proceeds (RM'000)</b>
Refrigerated truck	8	1,700	170
Ambient temperature truck	8	1,300	130
<b>Total</b>	<b>16</b>	<b>3,000</b>	<b>300</b>

**Note:**

- (1) Based on quotation obtained for the purchase of transportation fleet.

Further details are set out in Section 6.20.1.4 of this Prospectus.

**4. PARTICULARS OF OUR IPO (Cont'd)****4.4.3 Planned regional distribution and procurement centres****(a) Regional distribution centres**

As at the LPD, our Group has six (6) regional distribution centres in operation for the wholesale distribution of F&B products and other groceries in various states in Peninsular Malaysia. Part of our Group's plans is to expand our fresh vegetables wholesale distribution business into the central region of Peninsular Malaysia and our Group intends to set up two (2) additional regional distribution centres as follows:

- Nilai, Negeri Sembilan: One (1) regional distribution centre with cold room facilities to expand our geographical coverage for the wholesale distribution of fresh vegetables, F&B products and other groceries in central region of Peninsular Malaysia and East Malaysia. We are expected to utilise RM1.00 million which was arrived at based on the estimation of the quotation for the new two (2)-storey operational building in Senai for the construction of our cold room facilities as well as the purchase of racking systems, office furniture and equipment for the new distribution centre. The new distribution centre will have a total built-up of 6,355 sq. ft. and the construction is expected to be completed by Q2 2024. This distribution centre is expected to commence its operations in Q4 2024 upon the completion of construction of cold room facilities and installation of racking system as well as obtaining the necessary licences and permits. The capacity of our cold room in Nilai will be able to handle approximately 2,500 pallets per year.
- Cameron Highlands, Pahang: One (1) regional distribution centre with cold room facilities, which will also serve as our procurement centre to source fresh vegetables from Cameron Highlands. As at the LPD, we have yet to identify the location for the distribution centre in the Cameron Highlands. This is part of our strategy to enhance our supply chain and wholesale distribution of fresh vegetables sourced from Cameron Highlands to the central and southern regions of Peninsular Malaysia, as well as to expand our geographical coverage for wholesale of F&B products and other groceries in Cameron Highlands. In this respect, our Group plans to set up a procurement team at the new distribution centre in Cameron Highlands, Malaysia to source fresh vegetables from the local growers. Our Group also intends to allocate space for sorting the fresh vegetables before the fresh vegetables are transported to our Senai Centralised Distribution Centre in Johor.

In relation thereto, our Group intends to utilise RM0.20 million which was arrived at based on the estimation of the quotation for the new two (2)-storey operational building in Senai for the construction of cold room facilities for this distribution centre. The capacity of our cold room in Cameron Highland will be able to handle approximately 750 pallets per year. This distribution centre is expected to commence its operations in Q4 2024.

**4. PARTICULARS OF OUR IPO (Cont'd)**

The total cost of setting up the two (2) new regional distribution centres is estimated at RM1.20 million which will be funded using the IPO proceeds as detailed below:

Planned regional distribution centre	Total estimated costs (RM'000)
<b>On-going</b>	
Nilai, Negeri Sembilan	(1) 1,000
- construction of cold room facilities	800
- purchase and installation of racking system	200
<b>Future</b>	
Cameron Highlands, Pahang	(2) 200
<b>Total</b>	<b>1,200</b>

**Notes:**

- (1) Includes mainly construction cost for cold room facilities as well as purchase of racking systems, office furniture and equipment for the new regional distribution centre in Nilai.
- (2) Includes mainly construction cost for cold room facilities for the new regional distribution centre in Cameron Highlands.

**(b) Sales and marketing office in Singapore**

Our Group's head office and centralised distribution centre is located in Senai, Johor. As at the LPD, our Group's wholesale distribution business is mainly focused in Johor and Singapore while a smaller proportion is in other states in Malaysia. For information purposes, as at the LPD, our Company has a subsidiary, namely Topstar, which was incorporated in Singapore. Part of our Group's strategy is to set up a sales and marketing office in Singapore to facilitate the market reach of our products to a wider geographical market of potential customers and to better serve our existing customers. Our Company intends to utilise RM0.40 million for the setting up of a sales and marketing office. The estimated cost is mainly for the initial working capital including securing a rented office for 12 months and hiring of two (2) sales coordination personnel based in Singapore for 12 months.

The details of breakdown are as follows:

Set-up of Singapore office	To be funded via IPO proceeds (RM'000)
Rental of office (600 sq. ft. to 800 sq. ft.)	* (1) 100
Hiring of sales coordination personnel	300
<b>Total</b>	<b>400</b>

**Notes:**

- \* Includes costs of renovation and interior fit-out.
- (1) Based on the market rate of the similar size of premise derived from publicly available domains.



**4. PARTICULARS OF OUR IPO (Cont'd)**

If the actual expenditures are higher than budgeted, the deficit will be funded by the amount allocated for working capital purposes. Conversely, if the actual expenditures are lower than budgeted, the excess will be used for working capital purposes.

**4.4.4 Working capital**

Our Group's working capital is expected to increase in conjunction with the expansion of our business. After taking into consideration our liquidity and capital resources as set out in Section 11.3.4 of this Prospectus, we intend to allocate RM10.58 million, representing 43.22% of the proceeds from our Public Issue as working capital to finance our Group's future operations, mainly in respect of purchase of inventories which comprises vegetables, F&B products and other groceries products, as well as payment for administrative and operating expenses. The breakdown of the allocation is set out below:

<b>Working capital</b>	<b>(RM'000)</b>
Payment to suppliers for the purchases of inventories <sup>(1)</sup>	9,580
General working capital <sup>(2)</sup>	1,000
<b>Total</b>	<b>10,580</b>

**Notes:**

- (1) We intend to allocate RM9.58 million of the gross proceeds from our Public Issue for payment to suppliers for the purchases of inventories, among others, fresh vegetables, F&B products and other groceries products. We expect to utilise the proceeds for the payment to suppliers within six (6) months from the date of our Listing.
- (2) General working capital includes payment for administration and operating expenses such as staff salaries and office related expenses, which will be utilised within six (6) months from the date of our Listing, as detailed below:

<b>General working capital</b>	<b>(RM'000)</b>
Staff salaries	900
Office related expenses	100
<b>Total</b>	<b>1,000</b>

We had in the past and are currently funding our working capital via bank borrowings and/or internally generated funds. Therefore, the above working capital allocation from our Public Issue is expected to enhance our Group's liquidity and cash flow position to support the expected growth in our daily operations.

**4. PARTICULARS OF OUR IPO (Cont'd)****4.4.5 Estimated listing expenses**

Our listing expenses are estimated to be RM3.90 million, details of which are as follows:

	<b>RM'000</b>
Professional fees <sup>(1)</sup>	2,892
Fees to authorities	77
Estimated underwriting, placement and brokerage fees	692
Printing and advertising	212
Contingencies <sup>(2)</sup>	27
<b>Total</b>	<b>3,900</b>

**Notes:**

- (1) Includes professional and advisory fees for, among others, Principal Adviser, Solicitors, Reporting Accountants, IMR, and internal control consultants.
- (2) Other incidental or related expenses in connection with our IPO, which include fee to translators, media related expenses and IPO event expenses.

If the actual listing expenses are higher than budgeted, the deficit will be funded by the amount allocated for working capital purposes. Conversely, if the actual listing expenses are lower than budgeted, the excess will be used for working capital purposes.

Our Company will not receive any proceeds from the Offer for Sale. Based on the IPO Price, the gross proceeds from the Offer for Sale of approximately RM7.92 million will accrue entirely to the Offerors. The Offerors shall bear the entire incidental expenses and fees in relation to the Offer for Sale, amounting to approximately RM0.18 million.

The financial impact of the use of proceeds from our Public Issue is illustrated in the Pro Forma Consolidated Statements of Financial Position as at FYE 2023 set out in Section 11.9 of this Prospectus. Where applicable and required under Rule 8.24 of the Listing Requirements, we will seek shareholders' approval for any material variation to the intended utilisation of proceeds.

**4.5 BROKERAGE FEE, UNDERWRITING COMMISSION AND PLACEMENT FEE****4.5.1 Brokerage fee**

We will bear the brokerage fees to be incurred on the issue of the 33,750,000 Issue Shares pursuant to our IPO under Sections 4.1.1(b)(i) and 4.1.1(b)(ii) of this Prospectus at the rate of 1.00% of the IPO Price in respect of successful Applications which bear the stamp of AIS, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association or the Issuing House.

**4.5.2 Underwriting commission**

AIS, as our Sole Underwriter has agreed to underwrite 33,750,000 Issue Shares as set out in Sections 4.1.1(b)(i) and 4.1.1(b)(ii) of this Prospectus. We will pay our Sole Underwriter an underwriting commission at an average rate of 2.50% of the total value of the Shares underwritten at the IPO Price.

#### 4. PARTICULARS OF OUR IPO (Cont'd)

##### 4.5.3 Placement fee

Our Placement Agent has agreed to place out 68,250,000 Issue Shares and 33,000,000 Offer Shares available under the placement to selected investors as set out in Sections 4.1.1(b)(iii) and 4.1.1(c) of this Prospectus, at the rate of up to 2.25% of the IPO Price for each Issue Share/Offer Share to be placed out by the Placement Agent.

The placement fees to be incurred on the sale of 33,000,000 Offer Shares will be fully borne by the Offerors.

##### 4.6 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

On 5 April 2024, we have entered into the Underwriting Agreement with the Sole Underwriter to underwrite 33,750,000 Issue Shares ("**Underwritten Shares**"), upon the terms and subject to the conditions as set out in the Underwriting Agreement.

4.6.1 The obligations of the Sole Underwriter are conditional on, among others, the following:

- (a) the approvals referred to in Section 2.1 of this Prospectus remaining valid and have not been revoked or amended and all the conditions imposed therein which have to be complied by our Company prior to Listing, have been complied by our Company;
- (b) the receipt by the Sole Underwriter of all relevant documentation and placement monies in respect of the Public Issue and Offer for Sale;
- (c) all other necessary approvals and consents required in relation to the IPO and the IPO Shares including but not limited to governmental approvals having been obtained and are in full force and effect;
- (d) the issue of the IPO Shares having been approved by the shareholders of our Company in an extraordinary general meeting;
- (e) the issue and subscription of the IPO Shares in accordance with the provisions of the Underwriting Agreement is not being prohibited by any statute, order, rule, regulation, directive, or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive, or regulatory body or authority in Malaysia (including Bursa Securities);
- (f) the Prospectus having been lodged with the Registrar of Companies and registered with Bursa Securities together with all the required documents in accordance with the CMSA, the Act and the relevant laws and regulations;
- (g) there having been, on or prior to the last date and time for the receipt of applications and payment for the Issue Shares in accordance with this Prospectus or such later date as our Company and the Sole Underwriter may mutually agree upon consultation with the Bursa Securities ("**Closing Date**") or the extended closing date for the receipt of applications and payment for the Issue Shares pursuant to the Public Issue which will be notified in a widely circulated Bahasa Malaysia and English daily newspaper in Malaysia ("**Extended Closing Date**"), as the case may be, no material breach of any representation, warranty, covenant, undertaking or obligation of our Company in the Underwriting Agreement or which is contained in any certificate, statement, or notice provided under or in connection with the Underwriting Agreement or which proves to be incorrect in any material respect;

#### 4. PARTICULARS OF OUR IPO (Cont'd)

- (h) there having been, on or prior to the Closing Date or the Extended Closing Date, as the case may be, no material adverse change, or any development involving a prospective material adverse change, in the financial condition or business or operations of our Group or in the prospects or future financial condition or business or operations of our Group (which in the reasonable opinion of the Sole Underwriter, is or will be material in the context of the IPO and the sale of any Underwritten Shares) from that set forth in this Prospectus, nor the occurrence of any event nor the discovery of any fact rendering materially inaccurate, untrue or incorrect to such extent which is or will be material in any of the representations, warranties, covenants and undertakings and obligations of our Company contained in the Underwriting Agreement;
  - (i) the Sole Underwriter receiving a copy certified by a director or secretary of our Company to be a true resolution of our Board approving the Listing, this Prospectus and the Underwriting Agreement, the issue and offer of the IPO Shares and authorising a person or persons to sign the Underwriting Agreement on behalf of our Company; and
  - (j) the Sole Underwriter having been satisfied that arrangements have been made by our Company to ensure payment of the expenses referred to in the Underwriting Agreement.
- 4.6.2 The Sole Underwriter may terminate, cancel, or withdraw its commitment before the Closing Date or the Extended Closing Date, if:
- (a) the approval of Bursa Securities and other relevant authorities for the Listing is revoked, withdrawn or procured but subject to the conditions not acceptable to the Sole Underwriter;
  - (b) there is any material breach by our Company of any of the representations, warranties or undertakings contained in the Underwriting Agreement, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated in the notice given to our Company;
  - (c) there is a material failure on the part of our Company to perform any of our obligations contained in the Underwriting Agreement;
  - (d) there is withholding of information of a material nature from the Sole Underwriter which is required to be disclosed pursuant to the Underwriting Agreement which, in the reasonable opinion of the Sole Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of our Group, the success of the IPO or Listing, or the distribution or sale of the IPO Shares;
  - (e) there shall have occurred, or happened any material and adverse change in the business or financial condition of our Group;
  - (f) the Listing does not take place within three (3) months from the date of the Underwriting Agreement or such other extended date as may be agreed by the Sole Underwriter;
  - (g) the imposition of any moratorium, suspension or material restriction on trading in securities generally on ACE Market of Bursa Securities due to exceptional financial circumstances which, in the reasonable opinion of the Sole Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of our Group, the success of the IPO, or the distribution or sale of the IPO Shares;
  - (h) a material adverse change in the stock market condition occurs, and for the purposes of this clause, a material adverse change in the stock market condition shall be deemed to have occurred if the FTSE Bursa Malaysia Kuala Lumpur Composite Index (“**Index**”) is, at the close of normal trading on Bursa Securities, on any Market Day:
    - (i) on or after the date of the Underwriting Agreement; and
    - (ii) prior to the close of the offering of the IPO,

**4. PARTICULARS OF OUR IPO (Cont'd)**

lower than eighty-five per centum (85%) of the level of Index at the last close of normal trading on Bursa Securities on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least three (3) consecutive Market Days or any other adverse change in the market conditions which the parties mutually agree to be sufficiently material and adverse to render it to be a terminating event; or

- (i) there shall have occurred, or happened any of the following circumstances:
  - (i) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing; or
  - (ii) any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of the Sole Underwriter (including without limitation, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents).

In the event that the Underwriting Agreement is terminated, the Sole Underwriter and our Company may confer with a view to deferring the IPO by amending the terms of the Underwriting Agreement and entering into a new underwriting agreement accordingly, but neither the Sole Underwriter nor our Company shall be under any obligation to enter into a fresh agreement.

4.6.3 Upon any such notice(s) being given pursuant to Section 4.6.2 above, the Sole Underwriter shall be released and discharged from their obligations under the Underwriting Agreement whereupon the following shall take place within three (3) Market Days of the receipt of such notice:

- (a) our Company shall make payment of the Underwriting Commission to the Sole Underwriter in accordance with the Underwriting Agreement;
- (b) our Company shall pay or reimburse to the Sole Underwriter the costs and expenses referred to in the Underwriting Agreement; and
- (c) each party shall return all other monies (in the case of the Sole Underwriter, after deducting the Underwriting Commission due and owing to the Sole Underwriter under the Underwriting Agreement) including but not limited to the subscription monies paid to the other under the Underwriting Agreement (except for monies paid by our Company for the payment of the expenses as provided under the Underwriting Agreement),

and thereafter, the Underwriting Agreement shall be terminated and of no further force and effect and none of the parties shall have a claim against the other save and except in respect of any antecedent breaches.

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

### 5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

#### 5.1.1 Promoters' and substantial shareholders' shareholdings

The details of our Promoters and substantial shareholders and their respective shareholdings in our Company before and after our IPO are as follows:

Name	Nationality/ Country of incorporation	Before our IPO/As at the LPD				After our IPO			
		<----- Direct ----->		<----- Indirect ----->		<----- Direct ----->		<----- Indirect ----->	
		No. of Shares	( <sup>1</sup> ) (%)	No. of Shares	( <sup>1</sup> ) (%)	No. of Shares	( <sup>2</sup> ) (%)	No. of Shares	( <sup>2</sup> ) (%)
Dr. Tiong Lee Chian	Malaysian	184,900,000	53.13	163,100,000	<sup>(3)</sup> 46.87	33,400,000	<sup>(4)</sup> 7.42	281,600,000	<sup>(3) (5)</sup> 62.58
Liew Tsuey Er	Malaysian	163,100,000	46.87	184,900,000	<sup>(3)</sup> 53.13	11,600,000	<sup>(4)</sup> 2.58	303,400,000	<sup>(3) (5)</sup> 67.42
TLC Consolidation <sup>(6)</sup>	Malaysia	-	-	-	-	270,000,000	60.00	-	-

**Notes:**

- (1) Based on our issued share capital of 348,000,000 Shares after the Acquisitions but before our IPO.
- (2) Based on our enlarged issued share capital of 450,000,000 Shares after the Public Issue and Offer for Sale.
- (3) Deemed interested by virtue of his/her spouse's direct shareholdings in Farm Price Holdings pursuant to Section 8 of the Act.
- (4) Assuming after the Offer for Sale, whereby Dr. Tiong Lee Chian and Liew Tsuey Er will each offer 16,500,000 Shares by way of private placement to selected investors.
- (5) Deemed interested by virtue of his/her spouse's direct shareholdings in Farm Price Holdings and their substantial shareholdings in TLC Consolidation pursuant to Section 8 of the Act.
- (6) TLC Consolidation emerges as the substantial shareholder of our Group pursuant to the Share Transfer, whereby Dr. Tiong Lee Chian and Liew Tsuey Er will transfer their respective 135,000,000 Shares to TLC Consolidation. Please refer to Section 4.1.1(d) of this Prospectus for further information.

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

### 5.1.2 Profile of Promoters and Specified Shareholders

(i) **Dr. Tiong Lee Chian**

*Promoter, Specified Shareholder, substantial shareholder and Managing Director*

Dr. Tiong Lee Chian, Malaysian, aged 49 is our Promoter, Specified Shareholder, substantial shareholder and Managing Director. He was appointed to the Board on 23 May 2023.

He obtained a Diploma in Building and Property Management from Singapore Polytechnic in 1997. Thereafter, he obtained a degree in Bachelor of Science in Quantity Surveying from the University of Greenwich, United Kingdom in 1999. He subsequently obtained a Master of Science in Facilities Management from the same university in 2000. He obtained a Doctor of Business Administration by United Business Institutes Brussels, Belgium in 2012. He was awarded with the “Young Entrepreneurs – Agriculture” and “Brand SME Excellence – Agro Distributor” awards at the SME and Entrepreneurs Business Awards 2020 by the Entrepreneurship Foundation Malaysia.

He began his career with Hexacon Construction Private Limited (“**Hexacon Construction**”), Singapore in 1997 as a quantity surveyor, where he was involved in quantity measurements and cost estimation for construction projects, as well as the monitoring and controlling of payment and utilisation of building materials for such projects. He resigned from Hexacon Construction in 1998 to pursue his studies in the United Kingdom. He joined Davis Langdon & Seah Pte Ltd, Singapore in 2000 as a Consultant Quantity Surveyor, where he carried out project feasibility studies, value engineering and preparation of bills of quantities.

In 2001, he incorporated Blue-Doll Marketing Sdn Bhd (now known as Farm Price) with Liew Yee Fan @ Liew Chew Lan who subsequently sold his shares to Liew Tsuey Er when he left the company to retire in 2007. From 2001 to 2004, Blue-Doll Marketing Sdn Bhd (now known as Farm Price) was primarily involved in the business of manufacturing of mannequins. In 2004, Farm Price assumed its current name and ventured into the business of wholesale distribution of fresh vegetables while Dr. Tiong Lee Chian was responsible for overseeing the overall sales and operations of Farm Price. Currently, he is responsible for the overall business and strategic direction of our Group, driving our business development and marketing by supervising the operations and maintaining healthy relationships with our Group’s customers and suppliers. In addition, he has been instrumental in developing the international network of suppliers by leveraging on his vast industry experience and long-term business networks. He is also responsible for conducting and managing our Group’s sales in Singapore together with our Executive Director, Liew Tsuey Er.

(ii) **Liew Tsuey Er**

*Promoter, Specified Shareholder, substantial shareholder and Executive Director*

Liew Tsuey Er, Malaysian, aged 49 is our Promoter, Specified Shareholder, substantial shareholder and Executive Director. She was appointed to the Board on 23 May 2023.

She graduated with a Bachelor of Science in Quantity Surveying from the University of Greenwich, United Kingdom in 1999 and subsequently obtained a Master of Science in Facilities Management from the same university in 2000.

Her career began with Chip Eng Seng Contractors (1988) Pte Ltd, Singapore in 2001 as a Quantity Surveyor, where she was responsible for quantity surveying, preparation of bills of quantities, being involved in project tenders and verifying claims from subcontractors. She joined De Feng Construction Pte Ltd, Singapore in 2002 as Quantity Surveyor with similar responsibilities, before leaving in 2004 to join Farm Price.

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

In 2004, she joined Farm Price as Administration and Accounts Manager, where she was responsible for Farm Price's administrative and accounting matters. In 2007, she was appointed as a director of Farm Price and became a shareholder following the acquisition of shares in Farm Price from her father in the same year. She was mainly responsible for our Group's operations and administrative functions. In addition, she also overseeing the finance department and other departments such as Quality Assurance and Compliance and Logistic, Operation and Warehouse within our Group, a role she continues to perform to date.

Currently, she is responsible for our Group's daily operations and overseeing the sourcing and procurement from domestic suppliers as well as some of the oversea suppliers such as Indonesia, Vietnam and Thailand. She is also responsible for assisting and managing our Group's sales in Singapore together with our Managing Director, Dr. Tiong Lee Chian.

**(iii) TLC Consolidation**

*Promoter, Specified Shareholder and substantial shareholder*

TLC Consolidation was incorporated in Malaysia under the Act on 12 June 2023. As at the LPD, the issued share capital of TLC Consolidation is RM2.00 comprising two (2) ordinary shares. TLC Consolidation is principally an investment holding company and was incorporated with the objective to hold 60.00% shareholding in our Company held by the individual Promoters pursuant to the Share Transfer for family succession planning purposes.

As at the LPD, the directors and shareholders of TLC Consolidation and their respective shareholdings in TLC Consolidation are as follows:

Directors and Shareholders	<-----Direct----->		<-----Indirect----->	
	No. of ordinary shares	%	No. of ordinary shares	%
Dr. Tiong Lee Chian	1	50.00	1	(1) 50.00
Liew Tsuey Er	1	50.00	1	(1) 50.00
<b>Total</b>	<b>2</b>	<b>100.00</b>	<b>2</b>	<b>100.00</b>

**Note:**

(1) *Deemed interested by virtue of his/her spouse pursuant to Section 8 of the Act.*

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

**5.1.3 Changes in our Promoters' and substantial shareholders' shareholdings**

The changes in our Promoters' and substantial shareholders' shareholdings in our Company since incorporation up to the LPD are as follows:

Name	As at 23 May 2023 (Date of incorporation)				As at 9 June 2023				As at the LPD			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	(1) %	No. of Shares	(1) %	No. of Shares	(2) %	No. of Shares	(2) %	No. of Shares	(3) %	No. of Shares	(3) %
Dr. Tiong Lee Chian	1	50.00	1	<sup>(4)</sup> 50.00	500	50.00	500	<sup>(4)</sup> 50.00	184,900,000	53.13	163,100,000	<sup>(4)</sup> 46.87
Liew Tsuey Er	1	50.00	1	<sup>(4)</sup> 50.00	500	50.00	500	<sup>(4)</sup> 50.00	163,100,000	46.87	184,900,000	<sup>(4)</sup> 53.13
TLC Consolidation	-	-	-	-	-	-	-	-	-	-	-	-

**Notes:**

- (1) Based on our issued share capital of two (2) Shares as at the date of incorporation.
- (2) Based on our issued share capital of 1,000 Shares after allotment.
- (3) Based on our issued share capital of 348,000,000 Shares after the Acquisitions but before our IPO.
- (4) Deemed interested by virtue of his/her spouse's direct shareholdings in Farm Price Holdings pursuant to Section 8 of the Act.

As at the LPD, our Promoters and substantial shareholders have the same voting rights with the other shareholders of our Group and there is no arrangement between our Company and its shareholders with any third parties, the operation of which may at a subsequent date result in a change in control of our Company.

Save as disclosed above, we are not aware of any persons who are able to, directly or indirectly, jointly or severally, exercise control over our Company.

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

### 5.1.4 Promoters and substantial shareholders' remuneration and benefits

Save for the dividends to be paid or proposed to be paid, if any, to our Promoters and substantial shareholders and the aggregate remuneration and benefits paid or proposed to be paid to our Promoters and substantial shareholders for services rendered to our Group in all capacities for the FYE 2023 and proposed to be paid for FYE 2024 as set out in Section 5.4 of this Prospectus, there are no other amounts or benefits that have been paid or intended to be paid to our Promoters and substantial shareholders within the two (2) years preceding the date of this Prospectus.

## 5.2 DIRECTORS AND KEY SENIOR MANAGEMENT

### 5.2.1 Directors

Our Board comprises the following members:

Name	Age	Nationality	Date of appointment	Designation
Pauzi Bin Yaman (M)	67	Malaysian	1 July 2023	Independent Non-Executive Chairman
Dr. Tiong Lee Chian (M)	49	Malaysian	23 May 2023	Managing Director
Liew Tsuey Er (F)	49	Malaysian	23 May 2023	Executive Director
Lim Poh Seong (M)	58	Malaysian	1 July 2023	Independent Non-Executive Director
Yap Koon Roy (M)	62	Malaysian	1 July 2023	Independent Non-Executive Director
Tea Sor Hua (F)	53	Malaysian	1 July 2023	Independent Non-Executive Director

**Notes:**

(M) Male.

(F) Female.

None of our Directors represents any corporate shareholder on our Board. For details on the association of family relationship between our Promoters, Directors and Key Senior Management, please refer to Section 5.7 of this Prospectus.

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

### 5.2.2 Profile of Directors

The profiles of our Directors, Dr. Tiong Lee Chian and Liew Tsuey Er, who are also our Promoters, Specified Shareholders and substantial shareholders are disclosed in Section 5.1.2 of this Prospectus.

The profiles of our other Directors are as follows:

(i) **Pauzi Bin Yaman**  
*Independent Non-Executive Chairman*

Pauzi Bin Yaman, Malaysian, aged 67 is our Independent Non-Executive Chairman. He was appointed to our Board on 1 July 2023.

He obtained a Diploma of Forestry from Universiti Putra Malaysia in 1979, and subsequently graduated with a Bachelor of Science in Agribusiness from the same university in 1982. He obtained a Certificate in Packing House Operations and Cold Storage Management from the University of the Philippines in 1984, and has also obtained a Master's Degree in Farm Economics from the University of Tottori, Japan in 1991.

He was awarded the Darjah Kebesaran Setia Ahmad Shah Pahang in 2014 and the Darjah Kebesaran Mahkota Kedah in 2015. He brings with him over 40 years of experience in the agricultural industry through his tenure with FAMA.

His career began in 1982 where he joined FAMA as an Agricultural Economist and was responsible for formulating programmes for the purpose of training farmers on post-harvest handling of agricultural produce. He took a career break in 1988 to pursue his Master's Degree in Agriculture Economy under FAMA's upskilling program for its employees. He re-joined FAMA at the end of 1992 as Marketing Officer with the Retail Marketing Division where he was involved with the setting up of retail outlets, monitoring the performance of retail outlets, as well as engaging with the suppliers to these retail outlets. He was later promoted to Development Director of FAMA for the State of Sabah in 1996, where he served as FAMA's liaison with the state government of Sabah. He was responsible for the planning, budgeting, and implementation of FAMA's various state programmes in Sabah, as well as monitoring and reviewing the effectiveness of these programmes. In 2000, he was re-designated to the position of Director of the Domestic and International Market Promotion Division, where he was involved in formulating and implementation of domestic and international market promotion programmes. He was re-designated again in 2002 to the position of Director of the Market Potential Research Division where he carried out market research, published the division's market research findings, and assisted in setting up business development centres for FAMA.

In 2007, he was seconded to the Ministry of Agriculture to serve as a Market Analysis Officer and was responsible for formulating strategic investment programmes and reviewing the investment incentives provided to agricultural entrepreneurs. In 2008, he was re-designated as Senior Director of the Quality Coordination and Innovation Division where he was responsible for ensuring that FAMA's selected programmes and projects comply with internationally recognised standards such as GMP and HACCP. He was re-designated in 2009 as Senior Director of Business Division (Processed Products) and was involved with developing market access for the food products of small-medium enterprises. After leaving the Ministry of Agriculture in 2014, he joined FAMA Corporation Sdn Bhd, a wholly-owned subsidiary of FAMA, as Managing Director and was responsible for overseeing the profitability of FAMA Corporation Sdn Bhd and ensuring that its business activities complied with the provisions of the FAMA Act 1965. In line with his employment as Managing Director, he was concurrently appointed as a member of FAMA Corporation Sdn Bhd's board of directors and was subsequently re-designated as chief executive officer in 2016, where he served until his departure in 2018. Following his departure in 2018, he took a career break and did not hold any full-time employment until 2020, where he was appointed as a member of the FAMA Marketing Advisory Council, a position which he held until January 2022. He later re-joined FAMA Corporation Sdn Bhd as a Director in 2020 and held this position until 31 December 2023.

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

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(ii) **Lim Poh Seong**  
*Independent Non-Executive Director*

Lim Poh Seong, Malaysian, aged 58 is our Independent Non-Executive Director and Chairperson of the Audit and Risk Management Committee. He was appointed to our Board on 1 July 2023.

He obtained his Diploma in Commerce for Finance and accounting from Tunku Abdul Rahman College in 1989. He became an associate and fellow member of the Association of Chartered Certified Accountants since 1995 and 2000 respectively. He is also a member of the Malaysian Institute of Accountants.

His career in auditing started in 1989 when he joined Hew & Tan, a public accounting firm. In 1991, he joined the accounting firm Ernst & Young and left in 1993 as an Audit Senior.

He ventured into the corporate sector in 1993 when he joined Insas Berhad, a public listed company whose subsidiaries are primarily involved in, among others, investment holding, stockbroking and property investment. He started as an Assistant Accountant and was subsequently promoted to Senior Corporate Finance Manager. During his tenure in Insas Berhad, he was responsible for the preparation of group accounts and corporate financial reporting. Subsequently in 1996, he joined Datuk Keramat Holdings Berhad, a public listed company whose subsidiaries were primarily involved in property investment, as its group Financial Controller where his main job scope involved corporate reporting, financial reporting and working on corporate finance affairs.

Subsequently in 1998, he joined Pantai Holdings Berhad, a public listed company whose subsidiaries were primarily involved in the provision of integrated healthcare and ancillary services, as the group's Financial Controller. In 2001, he was appointed as an Executive Director of Pantai Holdings Berhad. During his tenure, he was responsible for the group's financials and operations, corporate financial reporting, mergers and acquisitions and administration of the group's hospital division. In 2005, he stepped down from the board of directors of Pantai Holdings Berhad and assumed the role of group Chief Operating Officer, a position he held until he left the group in 2007.

From 2007 until 2008, he was appointed as the Executive Director of PAOS Holdings Berhad, a public listed company whose subsidiaries at the time were primarily involved in contract manufacturing of bar soap and its related products, contract manufacturing of products from palm oil and specialty fats, trading of palm oil related products, and property investment.

He also served as the Executive Director of Asia Poly Holdings Berhad, a public listed company whose subsidiaries are primarily involved in trading and manufacturing of cast acrylic products, from 2007 to 2008.

In 2010, he also took up the position of Chief Financial Officer with Eversendai Corporation Berhad, a public listed company whose subsidiaries are primarily involved in the business of steel fabrication, engineers and contractors. He was involved with the company's proposal to list on the Main Market of Bursa Securities, and left the company in the same year prior to its listing.

In 2010, he started to explore his own business ventures through Build Master Construction Sdn Bhd, a private company involved in the business of renovation contractors, buildings and general contractors, and BMC Infra Sdn Bhd in 2012, a private company involved in the business of contractors for piling works and the provision of related services. He ceased his involvement with these companies' operations and resigned from his directorship in 2019.

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

In 2011, he was invited to return to PAOS Holdings Berhad to serve as an Independent Non-Executive Director. He served as a member of the Audit Committee from 2011 and was subsequently re-designated as Chairman of the Audit Committee in 2018. He resigned from his position in May 2023.

In 2018, he was appointed as an Independent Non-Executive Director of Hup Seng Industries Berhad, a public listed company whose subsidiaries are primarily involved in the manufacturing and trading of biscuits and consumables. In 2019, he was re-designated as Independent Non-Executive Co-Chairman of the company, a position that he held until he returned to his original appointment of Independent Non-Executive Director in 2021. He maintains his position of Independent Non-Executive Director as at current date.

In 2020, he was appointed as Independent Non-Executive Director and Chairman of the Audit and Risk Management Committee of Samaiden Group Berhad, a public listed company whose subsidiaries are primarily involved in engineering, procurement, construction and commissioning contracts for solar photovoltaic systems and power plants, provision of renewable energy and environmental consulting services, and operations and maintenance services. He was redesignated as a member of the Audit and Risk Management Committee in February 2024.

In January 2024, he was appointed as Independent Non-Executive Director and Chairman of the Audit and Risk Management Committee of Sentoria Group Berhad, a public listed company whose subsidiaries are primarily involved in property development, construction, and the leisure and hospitality industry.

As at the LPD, save for the directorships of the public listed and private companies as set out in Section 5.2.4(iv) of this Prospectus, he does not hold any full-time employment.

**(iii) Yap Koon Roy**  
*Independent Non-Executive Director*

Yap Koon Roy, Malaysian, aged 62 is our Independent Non-Executive Director and Chairperson of the Remuneration Committee. He was appointed to our Board on 1 July 2023.

He graduated with a Bachelor of Laws Honours from University of Malaya, Malaysia in 1986 and was called to the Malaysian Bar in 1987. He also obtained an Associate Qualification in Islamic Finance from the Islamic Banking & Finance Institute of Malaysia in 2015.

His career started in 1987 when he joined the legal firm Messrs. Nordin & Phua. He was made partner of the firm in 1991. He then left the firm in 1997 to set up his own practice, Messrs. Yap Koon Roy & Associates in the same year. He has more than 36 years of experience in legal practice, mainly advising on commercial, estate, property and banking matters.

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

He has served as the Independent Non-Executive Director of Hock Heng Stone Industries Berhad (*presently known as DFCITY Group Berhad*), a public listed company whose subsidiaries at the time were primarily involved in the manufacturing, selling, processing and trading of dimension stones, renovation works for homes and offices and other related services, from 2009 to 2022. He has also served as an Independent Non-Executive Director of Perfect Food Industries Berhad (*presently known as MK Land Holdings Berhad*), a public listed company whose subsidiaries at the time were primarily involved in property development, property investment, and as an operator of hotels and golf and country clubs, from 1994 to 1999 and Golsta Synergy Berhad (*presently known as HCK Capital Group Berhad*), a public listed company whose subsidiaries at the time were primarily involved in the design, fabrication and installation of industrial plants, engineering consultancy, project management and advisory services, rubber processing and trading of rubber-related products, from 1999 to 2004. He has been the Independent Non-Executive Chairman of ACO Group Berhad, a public listed company whose subsidiaries are primarily involved in the distribution of electrical products and accessories as well as management consultancy services, since August 2019, a position he still holds to date.

As at the LPD, he is currently practicing as an advocate and solicitor of the High Court of Malaya, and is also the Managing Partner of his legal practice, Messrs. Yap Koon Roy & Associates.

**(iv) Tea Sor Hua**  
*Independent Non-Executive Director*

Tea Sor Hua, Malaysian, aged 53 is our Independent Non-Executive Director and Chairperson of the Nomination Committee. She was appointed to our Board on 1 July 2023.

She obtained a Diploma in Cost Accounting with the London Chamber of Commerce and Industry Examination Board in 1991. She subsequently obtained a Diploma in Business Accounting from the Delta Institute, Malaysia in 1992.

She is a professionally certified and qualified company secretary and was issued with a practicing licence by the Companies Commission of Malaysia in 1996. She subsequently became a member of the Malaysian Association of Company Secretaries ("**MACS**") in 2005 and is currently a member as at to date. Upon becoming a member of the MACS, she relinquished her license issued by the Companies Commission of Malaysia. She possesses over 30 years of experience in corporate secretarial practice, including the formation of companies, corporate affairs, consultancy, advisory and management services for both private and public listed companies.

She commenced her career as a secretarial assistant in 1993 with Cospec Management Services Sdn Bhd ("**Cospec**"), a corporate secretarial and management firm that provides a comprehensive range of advisory and corporate secretarial services to private and public listed companies. She left Cospec in 1995 to join CH Tan Tax Consultancy Sdn Bhd (now known as William CH Tan Consultancy Sdn Bhd) as a Tax Assistant before re-joining Cospec in 1996 as Assistant Secretarial Manager. She was then promoted to Secretarial Manager in 1997 and subsequently further promoted to Senior Manager in 1999. In 2005, she was promoted to the position of Director of Corporate Secretarial and to the position of Chief Executive Officer of Cospec in 2015, a position that she currently holds to date.

In her current role as Chief Executive Officer of Cospec, she holds the primary responsibility of overseeing its overall business operations. Her duties include supervising the day-to-day activities of Cospec in addition to acting as the designated company secretary for a diverse range of private and public listed companies across various industries. Her core responsibilities include providing corporate secretarial advice and training to clients in respect of compliance with various regulatory legislation such as the Act, Listing Requirements, and the MCGG, among others.

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

**5.2.3 Directors' shareholdings**

The direct and indirect shareholdings of our Directors as at the LPD and after the IPO are as follows:

Director	<sup>(1)</sup> Before our IPO/As at the LPD				<sup>(2)</sup> After our IPO			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	<sup>(3)</sup> %	No. of Shares	%
Pauzi Bin Yaman	-	-	-	-	300,000	0.07	-	-
Dr. Tiong Lee Chian	184,900,000	53.13	163,100,000	46.87	33,400,000	7.42	281,600,000	<sup>(4)</sup> 62.58
Liew Tsuey Er	163,100,000	46.87	184,900,000	53.13	11,600,000	2.58	303,400,000	<sup>(4)</sup> 67.42
Lim Poh Seong	-	-	-	-	300,000	0.07	-	-
Yap Koon Roy	-	-	-	-	300,000	0.07	-	-
Tea Sor Hua	-	-	-	-	300,000	0.07	-	-

**Notes:**

- (1) Based on our issued share capital of 348,000,000 Shares after the Acquisitions but before our IPO.
- (2) Based on our enlarged issued share capital of 450,000,000 Shares after our IPO.
- (3) Assuming our Directors will fully subscribe for their respective allocation under the Pink Form Allocation.
- (4) Deemed interested by virtue of his/her spouse's direct shareholdings in Farm Price Holdings and their substantial shareholdings in TLC Consolidation pursuant to Section 8 of the Act.

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

**5.2.4 Principal business activities and directorships in other corporations outside of our Group for the past five (5) years**

Save as disclosed below, none of our Directors have any principal business activities and directorships in any other corporations outside of our Group, at the present and in the past five (5) years preceding the LPD:

**(i) Pauzi Bin Yaman**

Company	Position held	Date appointed as Director/Date of joining as partner	Date resigned as Director/partner	Direct and indirect equity interest as at the LPD (%)	Principal activities
<b>Present involvement</b>					
Hannah Premier Fresh Enterprise	Sole Proprietor	30 September 2018	-	100.00	Retail sale of food and health products (Dormant)
<b>Past involvement</b>					
FAMA Corporation Sdn Bhd	Director	1 January 2020	31 December 2023	-	Business relating to foods, produce and goods including but not limited to rice, cooking oil, sugar, flour, and all business relating to agriculture
Konsortium Induk Edar Sdn Bhd	Director	1 October 2020	31 December 2023	-	Export and import of a variety of goods without any particular specialisation not elsewhere classified, and construction of buildings not elsewhere classified
Konsortium Pasar Borong Sdn Bhd	Director	18 August 2020	20 February 2024	-	Business as transporters, for transporting goods, articles, through all sorts of carries like trucks, lorries, tankers and etc., and collecting, loading and unloading plastic and fibre boxes in Kuala Lumpur Wholesale Market
FAMA Corporation Sdn Bhd	Former Director	1 September 2014	30 June 2018	-	Business relating to foods, produce and goods including but not limited to rice, cooking oil, sugar, flour, and all business relating to agriculture



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

**(ii) Dr. Tiong Lee Chian**

Company	Position held	Date appointed as Director/Date of joining as partner	Date resigned as Director/partner	Direct and indirect equity interest as at the LPD (%)	Principal activities
<b>Present involvement</b>					
Heisalive	Director and shareholder	11 November 2021	-	Direct: 50.00 ( <sup>1</sup> ) Indirect: 50.00	Investment holding in properties
Greenwich Enterprise Sdn Bhd	Director and shareholder	20 August 2013	-	Direct: 50.00	Investment holding in properties
TLC Consolidation	Director and shareholder	12 June 2023	-	Direct: 50.00 ( <sup>1</sup> ) Indirect: 50.00	Investment holding
<b>Past involvement</b>					
JNJ Mini Mart	( <sup>2</sup> ) Former Business Partnership	21 September 2014	1 November 2022	-	Mini market and store

**Notes:**

- (1) Deemed interested by virtue of his spouse's direct shareholdings in the company pursuant to Section 8 of the Act.
- (2) As at the LPD, JNJ Mini Mart is a sole proprietorship operated by Tiong Lee Ee, who is the brother of Dr. Tiong Lee Chian.

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

**(iii) Liew Tsuey Er**

Company	Position held	Date appointed as Director/Date of joining as partner	Date resigned as Director/partner	Direct and indirect equity interest as at the LPD (%)	Principal activities
<b>Present Involvement</b>					
Heisalive	Director and shareholder	11 November 2021	-	Direct: 50.00 (1) Indirect: 50.00	Investment holding in properties
TLC Consolidation	Director and shareholder	12 June 2023	-	Direct: 50.00 (1) Indirect: 50.00	Investment holding
<b>Past involvement</b>					
JNJ Mini Mart	Former Business Partnership	17 March 2010	29 January 2020	-	Mini market and store

**Note:**

(1) Deemed interested by virtue of her spouse's direct shareholdings in the company pursuant to Section 8 of the Act.

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

**(iv) Lim Poh Seong**

Company	Position held	Date appointed as Director/Date of joining as partner	Date resigned as Director/partner	Direct and indirect equity interest as at the LPD (%)	Principal activities
<b>Present involvement</b>					
Hup Seng Industries Berhad <sup>(1)</sup>	Independent Non-Executive Director	1 September 2018	-	-	Investment holding, while its subsidiaries are primarily involved in the manufacturing and trading of biscuits and consumables
Samaiden Group Berhad <sup>(1)</sup>	Independent Non-Executive Director and Shareholder	16 December 2019	-	Direct: 0.05	Investment holding, while its subsidiaries are primarily involved in engineering, procurement, construction and commissioning contracts for solar photovoltaic systems and power plants, provision of renewable energy and environmental consulting services and operations and maintenance services
Classic Liberty Sdn Bhd	Director and Shareholder	15 January 2021	-	*	Investment holding in properties
Check Inn Sdn Bhd	Director and Shareholder	29 March 2023	-	Direct: 50.00	Investment holding in properties
Sentoria Group Berhad <sup>(1)</sup>	Independent Non-Executive Director	5 January 2024	-	-	Investment holding, while its subsidiaries are primarily involved in property development, construction and the leisure and hospitality industry
<b>Past involvement</b>					
PAOS Holdings Berhad <sup>(1)</sup>	Former Independent Non-Executive Director	27 January 2011	29 May 2023	-	Investment holding, while its subsidiaries at the time were primarily involved in contract manufacturing of bar soap and its related products, contract manufacturing of products from palm oil and specialty fats, trading of palm oil related products and property investment
Build Master Construction Sdn Bhd	Former Director	1 March 2011	26 July 2019	-	Renovation contractors, buildings and general contractor
BMC Infra Sdn Bhd	Former Director	12 December 2012	26 July 2019	-	Contractor for piling works and provision of related services

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

**Notes:**

\* *Negligible.*

(1) *Listed on the Main Market of Bursa Securities.*

**(v) Yap Koon Roy**

Company	Position held	Date appointed as Director/Date of joining as partner	Date resigned as Director/partner	Direct and indirect equity interest as at the LPD (%)	Principal activities
<b>Present Involvement</b>					
Straits Delight Sdn Bhd	Director and Shareholder	10 March 2015	-	Direct: 49.00	Property investment
Straits Heritage Palace Sdn Bhd	Director and Shareholder	31 December 2013	-	Direct: 12.50	Property investment
Yayasan Wesley	Director	27 May 2021	-	-	To own, manage, administer, provide, promote, foster, develop, expand, and improve all kinds of educational facilities; to receive and administer funds or gifts for the purpose of funding and maintaining of scholarships and chairs and the granting of study loans, scholarships to students, awards to top achievers; to contribute toward scientific and medical research teaching, social engineering research and socio education projects that benefit the community
Legasi Arena Jaya Sdn Bhd	Director	26 June 2020	-	-	Property investment
ACO Group Berhad <sup>(1)</sup>	Independent Non-Executive Chairman and Shareholder	5 August 2019	-	*	Investment holding and activities of head offices while its subsidiaries are principally involved in management consultancy activities, distribution of electrical products and accessories
IE Symposium	Partnership	25 February 2015	-	Direct: 33.33	Seminar and motivational courses for children with learning difficulties

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

Company	Position held	Date appointed as Director/Date of joining as partner	Date resigned as Director/partner	Direct and indirect equity interest as at the LPD	Principal activities
<b>Past involvement</b>					
DFCITY Group Berhad <sup>(2)</sup>	Former Independent Non-Executive Director	21 October 2009	7 June 2022	-	Investment holding, while its subsidiaries at the time were primarily involved in the manufacturing, selling, processing and trading of dimension stones, renovation works for homes and offices and other related services

**Notes:**

\* *Negligible.*

(1) *Listed on the ACE Market.*

(2) *Listed on the Main Market of Bursa Securities.*

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

(vi) Tea Sor Hua

Company	Position held	Date appointed as Director/Date of joining as partner	Date resigned as Director/partner	Direct and indirect equity interest as at the LPD (%)	Principal activities
<b>Present Involvement</b>					
Cospec	Shareholder and Chief Executive Officer	-	-	Direct: 19.00	Providing secretarial services, consultancy and other related activities

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

### 5.2.5 Involvement of our Managing Director and Executive Director in other businesses or corporations

Save as disclosed in Section 5.2.4 of this Prospectus, our Managing Director and Executive Director are not involved in other businesses or corporations. Their involvement in other businesses or corporations is not expected to affect the operations of our Group as their involvement in the aforesaid companies are minimal as these companies are either investment holding of shares or properties. Such businesses' or corporations' operations do not require their involvement on a day-to-day basis. In addition, other than TLC Consolidation, these businesses or corporations are managed by or operated by the other shareholder and/or have their own management team. Their present involvement in the business or corporations set out in Section 5.2.4 of this Prospectus does not give rise to any conflict or potential conflict of interest with our business. Hence, our Board is of the view that this would not affect their contribution and performance in our Group.

### 5.2.6 Key Senior Management

Our Key Senior Management comprises the following:

Name	Age	Nationality	Designation
Mok Min Yee (F)	41	Malaysian	Senior Finance Manager
Christopher Lim Thin Chee (M)	53	Malaysian	Sales Manager
Ho Chek Keong (M)	43	Malaysian	Logistic, Operation and Warehouse Manager
Nurul Fatina Binti Zakaria (F)	30	Malaysian	Quality Assurance and Compliance Manager

**Notes:**

(M) Male.

(F) Female.

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

**5.2.7 Key Senior Management's shareholdings**

The direct and indirect shareholdings of our Key Senior Management in our Company as at the LPD and after our IPO are as follows:

Name	Before our IPO/As at the LPD				After our IPO			
	<----- Direct ----->		<----- Indirect ----->		<----- Direct ----->		<----- Indirect ----->	
	No. of Shares	<sup>(1)</sup> (%)	No. of Shares	<sup>(1)</sup> (%)	No. of Shares	<sup>(2) (3)</sup> (%)	No. of Shares	<sup>(3)</sup> (%)
Mok Min Yee	-	-	-	-	310,000	0.07	-	-
Christopher Lim Thin Chee	-	-	-	-	330,000	0.07	-	-
Ho Chek Keong	-	-	-	-	310,000	0.07	-	-
Nurul Fatina Binti Zakaria	-	-	-	-	320,000	0.07	-	-

**Notes:**

- (1) Based on our issued share capital of 348,000,000 Shares after the Acquisitions but before our IPO.
- (2) Assuming that all the Pink Form Allocation is fully subscribed.
- (3) Based on our enlarged issued share capital of 450,000,000 Shares after the Public Issue and Offer for Sale.



**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)****5.2.8 Profile of Key Senior Management**

The profiles of the Key Senior Management of our Group are as follows:

(i) **Mok Min Yee**  
*Senior Finance Manager*

Mok Min Yee, Malaysian, aged 41 is our Senior Finance Manager. She obtained a Bachelor of Accounting from Multimedia University Malaysia in 2006. She has been a member of the Malaysian Institute of Accountants since 2012.

She began her career with KPMG Johor Bahru in 2006 as an Audit Assistant. She was promoted to Audit Senior in 2008, and subsequently promoted to Audit Assistant Manager in 2010. During her employment with KPMG Johor Bahru, she was involved with auditing works such as reviewing accounting and internal control systems, consolidated accounts and supervising the preparation of financial statements in accordance with local statutory requirements and approved by the Malaysian Accounting Standards Board for various private limited and public listed companies involved in the logistic, oil plantation and manufacturing industries for consumer and industrial markets. She left KPMG Johor Bahru in 2012 to join Mewaholeo Industries Sdn Bhd, a private company involved in the business of palm oil refinery, as an Accountant, where she was in Treasury Department and tasked with preparing the relevant reports on foreign exchange positions for hedging purposes and reporting such findings to the company's headquarters in Singapore. She left in 2014 to join AMBM Packaging Distribution Sdn Bhd (now known as BP MPak Sdn Bhd), a subsidiary of Box-Pak (Malaysia) Berhad, a company listed on the Main Market of Bursa Securities, as a Finance and Administrative Manager, where she was responsible for overseeing the accounting and administrative departments of the company. She then joined Hosen Chocolate Sdn Bhd, a subsidiary of Hosen Group Ltd, a company listed on the Catalist as a Senior Accountant in 2016, where she was responsible for overseeing the company's accounts and finance department. She then took a career break between 2019 to 2022.

She joined our Group in November 2022 as a Finance and Account Manager, where she was responsible for overseeing the day-to-day financial operations. She was promoted to Senior Finance Manager of our Group in 2023, and is currently responsible for managing our Group's accounting and finance functions. She also assisted our Executive Director in corporate risk assessment, managing the overall financial matters and cash flow of our Group as well as monitoring and reporting on our Group's financial performance.

(ii) **Christopher Lim Thin Chee**  
*Sales Manager*

Christopher Lim Thin Chee, Malaysian, aged 53 is our Sales Manager. He completed his Sijil Pelajaran Malaysia in 1989.

He commenced his career with Parkson Corporation Sdn Bhd (Batu Pahat outlet) in 1990 as a Store Assistant where he was involved with collecting and replenishing inventory for both storage areas and the sales areas, servicing customers and daily store matters. He was promoted in 1992 to Department Assistant Supervisor for sporting, clothing, sundry, and cosmetic departments where he assisted with supervising the daily operations of the outlet. He was promoted again in 1993 to Department Supervisor for the above departments, and was responsible for supervising the performance of the outlet's sales and inventory teams. He subsequently transferred to another Parkson outlet located at Seremban Parade Mall (now known as Seremban Prima Mall) in 1995. From 1995 to 1997, he served as a Floor Executive at this Parkson outlet and was responsible for supervising the performance of department supervisors as well as the sales performance and inventory levels of the Parkson outlet.

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

In 1997, he left his employment with Parkson to set up a business involved in the sale of sporting goods and related accessories. This business ceased operations when he left Malaysia to join F&B Department of The Tanglin Club, Singapore in 1999 as a Barman, where he was employed until 2006. He joined C K Department Store, Singapore (Yishun outlet) in the same year as an Assistant Branch Manager and was subsequently promoted to Branch Manager in 2007, where he was responsible for supervising and monitoring the overall performance of the Yishun outlet. In 2009, he returned to Malaysia to join Tunas Manga Sdn Bhd, a local grocery store chain headquartered in Kuantan, as an Operation and Performance Executive, where he assisted the branch manager with conducting and managing sales with customers on the outlet's selling floor. In 2010, he joined The Store (Malaysia) Sdn Bhd, a supermarket and departmental store chain, in 2010 as a Sales Manager at the Johor Jaya branch, where he was responsible for overseeing and managing the sales team at the branch. He subsequently left to join SCC Marketing (M) Sdn Bhd, a company involved in the distribution of fast-moving consumer goods, in 2011 as an Area Sales Executive until 2013.

He joined Songmart Cash & Carry Sdn Bhd, a private company which is part of the "Songmart" supermarket chain, in 2013 as a Store Manager for the Songmart outlet located in Ulu Tiram, Johor, where he was responsible for managing the operations of the outlet which included managing inventory such as fresh vegetables and other groceries as well as monitoring the outlet's performance. He left Songmart Cash & Carry Sdn Bhd in 2016.

He joined our Group in January 2016 as a Sales Executive and was involved with developing Farm Price's sales with wholesalers and supermarkets. He was promoted to Sales Manager of our Group in 2023 and is currently responsible for overseeing our Group's sales in Malaysia. He is assisted by other members of the sales department, and is in charge of monitoring and supervising their sales activities. He has contributed to the expansion and growth of our Group's local customer base over the years and assists both our Managing Director and Executive Director with maintaining good relationships with our customers.

**(iii) Ho Chek Keong**  
*Logistic, Operation and Warehouse Manager*

Ho Chek Keong, Malaysian, aged 43 is our Logistic, Operation and Warehouse Manager. He obtained a Diploma in Engineering Electronics from the City and Guilds of London Institute in 2007.

His commenced his career in 2008 with Circuits Plus (M) Sdn Bhd, a private company involved in the production of electronic circuit boards. He worked as a property agent from 2011 until 2016 prior to joining our Group.

He joined Farm Price in August 2016 as a Production Supervisor, where he was responsible for maintaining the workflow of Farm Price's warehouse employees by monitoring their work process, supervising their usage of machinery and equipment, and monitoring personnel and resources. He was also responsible for completing production plans by scheduling and assigning personnel to specific tasks as and when needed based on the requirements of each production plan. In 2019, he was promoted to Logistic, Operation and Warehouse Manager, and currently oversees our Group's logistics and operation activities and inventory at the Senai Centralised Distribution Centre. In addition, he is also responsible for interviewing and training employees, management of labour and productivity, and streamlining employee workflow to enhance their productivity.

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

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**(iv) Nurul Fatina Binti Zakaria**  
*Quality Assurance and Compliance Manager*

Nurul Fatina Binti Zakaria, Malaysian, aged 30 is our Quality Assurance and Compliance Manager. She graduated with a Bachelor of Science in Resource Biotechnology from Universiti Malaysia Sarawak in 2016. She obtained a Certificate for Professional Halal Executive in 2018. As at the LPD, she is the only personnel who has obtained the Certificate for Professional Halal Executive in our Group. For information purposes, one (1) of the mandatory pre-requisites to apply for halal certification is for an applicant to have a certified halal executive.

She began her career with Zenxin Agriculture Sdn Bhd under their business operations team in 2016 and was responsible for supervising the company's F&B department and ensuring compliance with the applicable Halal certifications. She then left to join Farm Price as a Human Resources Executive in March 2019. She was promoted to Health, Safety and Environment Manager in 2022, where she was responsible for overseeing Farm Price's health, safety, and environmental policies and ensuring that the employees complied with these policies. She was promoted to Quality Assurance and Compliance Manager of our Group in 2023, where she is responsible for overseeing the quality control functions of our Group, and ensuring our Group's compliance with the laws and regulations applicable to our Group, including ISO 9001, GMP, HACCP, and Halal certifications. She also manages the monitoring and support functions of our employees who work in the Quality Assurance and Compliance Department. Based on her knowledge and training obtained under the Certificate for Professional Halal Executive, she assisted our Group in applying for our Group's relevant halal certifications. She also helps to monitor and ensure the continuous compliance with the terms and conditions of such halal certifications.

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

**5.2.9 Involvement of our Key Senior Management in other businesses/corporations**

Save as disclosed below, none of our Key Senior Management has any principal business activities outside our Group as at the LPD, nor do they have directorships outside of our Group, at the present and in the past five (5) years preceding the LPD:

**(i) Nurul Fatina Binti Zakaria**

<b>Company</b>	<b>Position held</b>	<b>Date of appointment</b>	<b>Date of cessation</b>	<b>Direct and indirect equity interest (%)</b>	<b>Principal activities</b>
<b>Past involvement</b>					
JNJ Mini Mart	Partnership	3 November 2022	10 April 2023	-	Mini market and store

Our Board is of the view that the past involvement of the abovementioned Key Senior Management in other business activities outside our Group will not affect her contributions to our Group and would not be expected to affect the operations of our Group as she had ceased to become the partner of JNJ Mini Mart on 10 April 2023. Further, this does not give rise to any conflict of interest with our business. She has and will continue to ensure that she is able to fulfil and discharge her respective duties and responsibilities in our Group effectively.

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

### 5.3 BOARD PRACTICES

#### 5.3.1 Directorship

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

Name	Date of appointment	Date of expiration of the current term of office	Approximate no. of years in office up to the date of this Prospectus
Pauzi Bin Yaman	1 July 2023	At our first AGM	Less than one (1) year
Dr. Tiong Lee Chian	23 May 2023	At our first AGM	Less than one (1) year
Liew Tsuey Er	23 May 2023	At our first AGM	Less than one (1) year
Lim Poh Seong	1 July 2023	At our first AGM	Less than one (1) year
Yap Koon Roy	1 July 2023	At our first AGM	Less than one (1) year
Tea Sor Hua	1 July 2023	At our first AGM	Less than one (1) year

Our Board acknowledges and takes cognisance of the MCCG which contains best practices and guidance for listed companies to improve upon or to enhance our corporate governance as it forms an integral part of our business operations and culture. Our Board believes that our current Board composition provides the appropriate balance in terms of skills, knowledge and experience to promote the interests of our shareholders and to govern our Group effectively. Our Company has adopted the recommendations under the MCCG, among others, to have a board comprising a majority of Independent Non-Executive Directors, that our chairperson of our Board should not be a member of our Audit and Risk Management Committee, Remuneration Committee or Nominating Committee, as well as to have at least 30% women directors on our Board.

#### 5.3.2 Audit and Risk Management Committee

Our Audit and Risk Management Committee was established on 1 August 2023 and its members are appointed by our Board. Our Audit and Risk Management Committee comprises the following members:

Name	Designation	Directorship
Lim Poh Seong	Chairperson	Independent Non-Executive Director
Yap Koon Roy	Member	Independent Non-Executive Director
Tea Sor Hua	Member	Independent Non-Executive Director

The main functions of our Audit and Risk Management Committee include among others:

- (i) to review the engagement, compensation, performance, qualification and independence of the external auditors, its conduct of the annual statutory audit of the financial statements, and the engagement of external auditors for all other services;
- (ii) to assess the suitability, objectivity, and independence of the external auditors, including obtaining written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements;

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

- (iii) to discuss with the external auditors before the audit commences, the audit plan, particularly the nature and scope of the audit, and ensure co-ordination where more than one (1) audit firm is involved;
- (iv) to review with the external auditors the evaluation of the system of internal controls and the audit report;
- (v) to establish, review and approve policies governing the circumstances under which contracts for the provisions of non-audit services can be entered into and procedures that must be adhered by the external auditors and/or their affiliates in the provision of such services;
- (vi) to approve the non-audit services provided by the external auditors and/or their affiliates;
- (vii) to review the quarterly and annual financial statements of our Group before recommendation to our Board, focusing particularly on:
  - (a) any changes in or implementation of major accounting policies and practices;
  - (b) significant matters highlighted, including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters are addressed;
  - (c) going concern assumption; and
  - (d) compliance with accounting standards and other regulatory or legal requirements;
- (viii) to discuss issues and reservations arising from the interim and final audits, and any matter the external auditors may wish to discuss (in the absence of management, where necessary);
- (ix) to consider any related party transactions and conflict of interest situation that arose, persist or may arise within our Company or our Group including any transaction, procedure or course of conduct that raises questions of management integrity and the measures taken to resolve, eliminate, or mitigate such conflicts;
- (x) to monitor the integrity of our Company's financial statements and ensure the financial statements are prepared in accordance with the applicable financial reporting standards;
- (xi) to perform the oversight function over the administration of whistleblowing policy that is approved and adopted by our Board and to protect the values of transparency, integrity, impartiality and accountability where our Group conducts its business and affairs;
- (xii) to enhance its accountability in preserving its integrity and to withstand public scrutiny which in turn enhances and builds our Group's credibility to all the stakeholders;
- (xiii) to report its findings on the financial and management performance, and other material matters to our Board;
- (xiv) to consider the major findings of internal investigations and management's response;
- (xv) to do the following, in relation to the internal audit function;
  - (a) consider and approve the appointment of the internal auditors, the internal audit fee and any question of resignation or dismissal;
  - (b) review the adequacy of the scope, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;

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

- (c) review the internal audit plan and results of the internal audit assessments and investigation undertaken, and ensure that appropriate action is taken on the recommendations of the internal auditors;
  - (d) consider the internal audit reports and findings by the internal auditors, fraud investigations and actions and steps taken by our management in response to audit findings;
  - (e) review and decide on the budget allocated to the internal audit function;
  - (f) appraise or assess the performance of members of the internal audit function; and
  - (g) monitor the overall performance of our Company's internal audit function;
- (xvi) to do the following, in relation to risk management:
- (a) oversee and recommend the risk management and internal control framework of our Group;
  - (b) review and recommend changes as needed to ensure that our Group has in place at all times a risk management policy which addresses the strategies, operational, financial and compliance risk;
  - (c) implement and maintain a sound risk management framework which identifies, assesses, manages and monitors our Group's business risks;
  - (d) review the reporting guidelines for our Management to report to the Audit and Risk Management Committee on the effectiveness of our Group's management of its business risks;
  - (e) review the risk profile of our Group and to evaluate the measures taken to mitigate the business risks; and
  - (f) review the adequacy of our Management's response to issues identified to risk registers, ensuring that the risks are managed within our Group's risk appetite;
- (xvii) to do the following, in relation to sustainability:
- (a) to review the implementation of our Group's sustainability-related strategies and initiatives;
  - (b) to monitor the establishment and maintenance of a process, including controls, policies and procedures, for the systematic identification, assessment, prioritisation, management, monitoring and reporting of our Group's material economic, environmental and social risks and opportunities; and
  - (c) to assist our Board with regard to disclosures in the Sustainability Statement for inclusion in our Company's Annual Report;
- (xviii) to verify the allocation of Employees' Share Option Scheme ("**ESOS**") in compliance with the criteria as stipulated in the by-laws of ESOS of our Company, if any;
- (xix) to monitor our Company's compliance with relevant laws, regulations and code of conduct;
- (xx) to review the adequacy and effectiveness of risk management, internal control and governance systems;
- (xxi) to consider and examine such other matters as the Audit and Risk Management Committee considers appropriate; and
- (xxii) to consider other relevant matters as delegated by our Board.

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

### 5.3.3 Nomination Committee

Our Nomination Committee was established on 1 August 2023 and its members are appointed by our Board. Our Nomination Committee comprises the following members:

Name	Designation	Directorship
Tea Sor Hua	Chairperson	Independent Non-Executive Director
Lim Poh Seong	Member	Independent Non-Executive Director
Yap Koon Roy	Member	Independent Non-Executive Director

The main functions of our Nomination Committee include among others:

- (i) to formulate and review the policy on Board composition having regard to the mix of skills, independence and diversity (including gender diversity) required to meet the needs of our Company, strengthen Board leadership and oversight of sustainability issues;
- (ii) to source, identify, review and recommend candidates for appointment to our Board and Board Committees, which is led by the Chairperson of the Nomination Committee, taking into consideration the optimum and effective size of our Board and the candidates':
  - (a) character, competency, knowledge and experience;
  - (b) professionalism;
  - (c) integrity and credibility;
  - (d) fit and properness;
  - (e) time commitment, particularly his number of other directorships; and
  - (f) in the case of the candidates for the position of Independent Non-Executive Directors, the Nomination Committee would also evaluate the candidates' ability to discharge such responsibilities or functions as expected from Independent Non-Executive Directors;
- (iii) to consider, in making its recommendations, candidates for directorships and, within the bounds of practicability, by any other senior executive or any Director or major shareholder and to take steps to ensure that gender, ethnicity and age group diversity are sought as part of its recruitment exercise;
- (iv) to review the tenure of each Director on our Board;
- (v) to recommend the re-election of Directors who are due to retire in accordance with our Company's Constitution;
- (vi) to assess the independence of Independent Directors annually;
- (vii) to establish and review the performance criteria to evaluate the performance of our Board, Board Committees and each individual Director;
- (viii) to recommend to our Board the nominees to fill the seats on Board Committees;
- (ix) to review on an annual basis, the required mix of skills, experience, gender diversity and other qualities, including core competencies which Non-Executive and Executive Directors should have;



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

- (x) to assess on an annual basis, the effectiveness of our Board and the Committees of our Board as a whole and each individual Director of our Board including a review of the performance of our Board in addressing our Company's material sustainability risks and opportunities. All assessments and evaluations carried out by the Nomination Committee in the discharge of all its functions would be properly documented;
- (xi) to review on an annual basis, the terms of office and performance of the Audit and Risk Management Committee and each of its members to determine whether the Audit and Risk Management Committee and its members have carried out their duties in accordance with the terms of reference of the Audit and Risk Management Committee;
- (xii) to assist our Board in assessing and evaluating circumstances where a Director's involvement outside our Group may give rise to a potential conflict of interest with our Group's businesses, upon receiving declaration of the same from the Director and thereafter, to inform the Audit and Risk Management Committee of the same. After deliberation with the Audit and Risk Management Committee, to recommend to the Board the necessary actions to be taken in circumstances where there is a conflict of interest;
- (xiii) to ensure that orientation and education programmes are provided for new members of our Board;
- (xiv) to ensure that all Directors receive appropriate continuous training programmes in order to broaden their perspectives and to keep abreast with developments in the marketplace, changes in new statutory and regulatory requirements and understand the sustainability issues relevant to our Company and its business, including climate-related risks and opportunities;
- (xv) to formulate and review the nomination, selection and succession policies and plans for members of our Board, Board Committees and senior management of our Company;
- (xvi) to act in line with the directions of our Board;
- (xvii) to consider and examine such other matters as the Nomination Committee considers appropriate; and
- (xviii) to consider any other relevant matters as delegated by our Board.

**5.3.4 Remuneration Committee**

Our Remuneration Committee was established on 1 August 2023 and its members are appointed by our Board. Our Remuneration Committee comprises the following members:

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Yap Koon Roy	Chairperson	Independent Non-Executive Director
Lim Poh Seong	Member	Independent Non-Executive Director
Tea Sor Hua	Member	Independent Non-Executive Director

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

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The main functions of our Remuneration Committee include among others:

- (i) to formulate and recommend a framework of remuneration for our Managing Director, Executive Director and senior management for our Board's approval. There should be a balance in determining the remuneration package, which takes into account the demands, complexities and performance of our Company and its subsidiaries as well as skills and experience required; and which should be sufficient to attract and retain the Directors of caliber, and yet not excessive. The framework should cover all aspects of remuneration including Director's fee, salaries, allowance, bonuses, options and benefit-in-kind;
- (ii) to review and assess the remuneration package of our Managing Director, Executive Director and senior management in all forms, with or without other independent professional advice or other outside advice. The remuneration packages shall be determined on the basis of the Directors' and senior management's merit, qualification and competencies, while having regard to our Group's operating results, individual performance and comparable market statistics, which are aligned with the business strategy and long-term objectives of our Group. In addition, the performance of our Group in managing material sustainability risks and opportunities should also be considered;
- (iii) to ensure the level of remuneration is sufficiently attractive and be able to retain and reward our Directors and senior management in order to run the businesses of our Group successfully;
- (iv) to ensure the level of remuneration or fee should reflect the experience and level of responsibilities undertaken by the particular Director;
- (v) to recommend to our Board the remuneration package of our Managing Director, Executive Director and Directors' fee and other benefits for Non-Executive Directors;
- (vi) to ensure that the remuneration and incentives for Independent Directors do not conflict with their obligations to bring objective and independent judgement to our Board;
- (vii) to recommend matters relating to the remuneration of our Directors and senior management of our Group for our Board's consideration and decision;
- (viii) to act in line with the directions of our Board;
- (ix) to consider and examine such other matters as the Remuneration Committee considers appropriate; and
- (x) to consider any other relevant matters as delegated by our Board.

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

**5.4 REMUNERATION OF DIRECTORS AND KEY SENIOR MANAGEMENT**

**5.4.1 Directors' Remuneration and Material Benefits in-Kind**

The aggregate remuneration and material benefits in-kind paid and proposed to be paid to our current Directors for services rendered to our Group in all capacities for the FYE 2022, FYE 2023 and FYE 2024 are as follows:

FYE 2022 (Actual)	Salary	Fees	Bonuses	Allowances	<sup>(1)</sup> Statutory Contributions	Benefits in- kind	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Managing Director/Executive Director</b>							
Dr. Tiong Lee Chian	482	<sup>(2)</sup> 96	-	-	90	-	668
Liew Tsuey Er	180	-	-	-	34	-	214
<b>Independent Non-Executive Directors</b>							
Pauzi Bin Yaman	-	-	-	-	-	-	-
Lim Poh Seong	-	-	-	-	-	-	-
Yap Koon Roy	-	-	-	-	-	-	-
Tea Sor Hua	-	-	-	-	-	-	-

**Notes:**

(1) Comprises contributions to EPF, EIS and SOCSO.

(2) Being the fee paid to the director of Topstar amounted to SGD30,000 (based on the average exchange rate of SGD1:RM3.19 from 1 January 2022 to 31 December 2022).

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

FYE 2023 (Actual)	Salary	Fees	Bonuses	Allowances	<sup>(1)</sup> Statutory Contributions	Benefits in- kind	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Managing Director/Executive Director</b>							
Dr. Tiong Lee Chian	497	-	-	-	86	17	600
Liew Tsuey Er	180	-	-	-	34	5	219
<b>Independent Non-Executive Directors</b>							
Pauzi Bin Yaman	-	-	-	-	-	-	-
Lim Poh Seong	-	-	-	-	-	-	-
Yap Koon Roy	-	-	-	-	-	-	-
Tea Sor Hua	-	-	-	-	-	-	-

**Note:**

(1) Comprises contributions to EPF, EIS and SOCSO.

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

FYE 2024 (Proposed)	Salary	Fees	Bonuses	Allowances	<sup>(1)</sup> Statutory Contributions	Benefits in- kind	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Managing Director/Executive Director</b>							
Dr. Tiong Lee Chian	506	-	-	-	88	17	611
Liew Tsuey Er	240	-	-	-	42	5	287
<b>Independent Non-Executive Directors</b>							
Pauzi Bin Yaman	-	40	-	6	-	-	46
Lim Poh Seong	-	24	-	6	-	-	30
Yap Koon Roy	-	24	-	6	-	-	30
Tea Sor Hua	-	24	-	6	-	-	30

**Note:**

(1) Comprises contributions to EPF, EIS and SOCSO.

The remuneration of our Directors, which includes salaries, fees and allowances, bonuses, as well as other benefits-in-kind, must be considered and recommended by our Remuneration Committee and subsequently, be approved by our Board, subject to the provisions of our Constitution. Our Directors' fees and benefits-in-kind must be further approved and endorsed by our shareholders at a general meeting.

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

**5.4.2 Key Senior Management's Remuneration and Material Benefits in-Kind**

The aggregate remuneration and material benefits in-kind paid and proposed to be paid to our Key Senior Management for services rendered to our Group in all capacities for the FYE 2022, FYE 2023 and FYE 2024 are as follows:

Key Senior Management	Remuneration Band		
	FYE 2022 RM'000	FYE 2023 RM'000	Proposed for the FYE 2024 RM'000
Mok Min Yee	* 1 – 50	100 – 150	100 – 150
Christopher Lim Thin Chee	100 – 150	100 – 150	100 – 150
Ho Chek Keong	50 – 100	50 – 100	50 – 100
Nurul Fatina Binti Zakaria	50 – 100	50 – 100	50 – 100

**Note:**

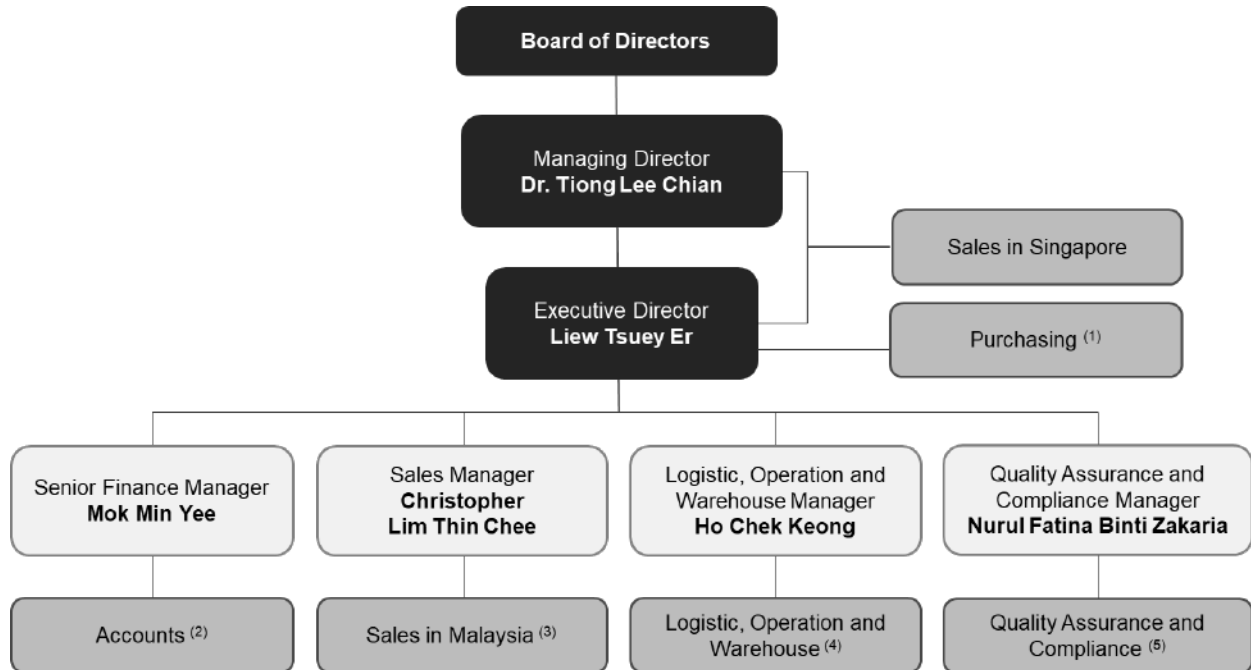
\* Calculated on a pro-rated basis in view that she joined our Group in November 2022.

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

**5.5 MANAGEMENT REPORTING STRUCTURE**

As at the LPD, the management reporting structure of our Group is as follows:



**Notes:**

- (1) There are a total of three (3) employees under the purchasing department.
- (2) There are a total of 18 employees under the accounts department.
- (3) There are a total of 14 employees under the sales department in Malaysia.
- (4) There are a total of 115 employees under the logistic, operation and warehouse department.
- (5) There are a total of seven (7) employees under the quality assurance and compliance department which includes two (2) administrative staffs who are responsible for human resources and other matters, respectively, whom both reporting directly to Nurul Fatina Binti Zakaria.

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

### **5.6 DECLARATIONS BY EACH PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT**

Save as disclosed in Section 6.22 of this Prospectus with respect to Dr. Tiong Lee Chian, none of our Promoters, Directors and Key Senior Management is or was involved in any of the following events, whether within or outside Malaysia:

- (i) a petition under any bankruptcy or insolvency law was filed (and not struck out) against such person or any partnership in which he was a partner, or any corporation of which he was a director or member of key senior management in the last 10 years;
- (ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) charged or convicted in a criminal proceeding, or is a named subject of a pending criminal proceedings in the last 10 years;
- (iv) 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 in the last 10 years;
- (v) 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 in the last 10 years;
- (vi) the subject of any order, judgment or ruling of any court, government, or regulatory authority or body, temporarily enjoining him from engaging in any type of business practice or activity;
- (vii) reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency in the last 10 years; and
- (viii) any unsatisfied judgment against such person.

### **5.7 FAMILY RELATIONSHIPS AND ASSOCIATIONS**

Save as disclosed below, there are no family relationships and associations among our Promoters, substantial shareholders, Directors and Key Senior Management as at the LPD:

- (i) Dr. Tiong Lee Chian, our Promoter, Specified Shareholder, substantial shareholder, and Managing Director is the spouse of Liew Tsuey Er;
- (ii) Liew Tsuey Er, our Promoter, Specified Shareholder, substantial shareholder, and Executive Director is the spouse of Dr. Tiong Lee Chian; and
- (iii) Dr. Tiong Lee Chian and Liew Tsuey Er are the directors and substantial shareholders of TLC Consolidation, which is also our Promoter, Specified Shareholder and substantial shareholder. Please see Section 5.1.2 of this Prospectus for further details on TLC Consolidation.

### **5.8 SERVICE AGREEMENTS**

As at the LPD, none of our Directors and/or Key Senior Management has any existing or proposed service agreement with our Group.



## 6. INFORMATION ON OUR GROUP

### 6.1 INFORMATION ON OUR GROUP

#### 6.1.1 Overview and history

Our Company was incorporated in Malaysia under the Act on 23 May 2023 as a private limited company under the name of Farm Price Holdings Sdn Bhd and was subsequently converted to a public limited company on 26 June 2023.

Our Company is an investment holding company. The principal activities of our subsidiaries are as follows:

Company	Principal activities
Farm Price	Wholesale distribution of fresh vegetables and F&B products
FP Foods	Wholesale distribution of F&B products and groceries
Setia Kawan	Retailing of fresh vegetables, F&B products and groceries
Topstar	Wholesale distribution of fresh vegetables

The history of our business can be traced back to the incorporation of Blue-Doll Marketing Sdn Bhd in 2001 where our current Managing Director, Dr. Tiong Lee Chian held 50.00% of the equity interest in the company and the remaining 50.00% of the equity interest was held by Liew Yee Fan @ Liew Chew Lan. Blue-Doll Marketing Sdn Bhd was initially involved in the manufacturing of mannequins before the cessation of its operations due to the opportunities available in the wholesale distribution of fresh vegetable industry in 2004.

Subsequently, in the same year in 2004, Blue-Doll Marketing Sdn Bhd changed its name to Farm Price and commenced the wholesale distribution of fresh vegetables. In 2007, our current Executive Director, Liew Tsuey Er acquired 50.00% of the equity interest from Liew Yee Fan @ Liew Chew Lan while Dr. Tiong Lee Chian continued to hold the remaining 50.00% of the equity interest. Liew Tsuey Er is the spouse of Dr. Tiong Lee Chian. Liew Yee Fan @ Liew Chew Lan is the father of Liew Tsuey Er.

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

Year	Key events and milestones
2004 - 2010	<ul style="list-style-type: none"> <li>▪ In 2004, Blue-Doll Marketing Sdn Bhd changed its name to Farm Price and commenced the wholesale distribution of mainly fresh vegetables. We initially operated at Taman Putri in Kulai, Johor. In the same year, we started distributing fresh vegetables which were prepacked in individual retail packs in Johor.</li> <li>▪ In 2006, we made our first export of fresh vegetables to Singapore mainly for the supply of fresh vegetables in prepacked forms to supermarkets.</li> <li>▪ In 2009, we expanded our operational facilities and moved to industrial buildings with an area of approximately 14,000 sq. ft. at Skudai, Johor.</li> <li>▪ In 2010, Setia Kawan was incorporated and in 2011, commenced the retailing of fresh vegetables, F&amp;B products and other groceries. As at the LPD, we operate one (1) retail grocery store in Ulu Tiram, Johor.</li> </ul>

**6. INFORMATION ON OUR GROUP (Cont'd)**

Year	Key events and milestones
2012- 2020	<ul style="list-style-type: none"> <li data-bbox="496 315 1390 465">▪ In 2012, we started processing and distributing fresh-cut vegetables to customers in Singapore. Fresh-cut vegetables refer to vegetables that have undergone some form of processing including washing, peeling or cutting and ready to be cooked. This is to facilitate ease of convenience and reduce preparation time for our customers.</li> <li data-bbox="496 499 1390 712">▪ In 2014, through Farm Price, we expanded our product portfolio and commenced the wholesale distribution packaged beverages. We started the distribution of our own brand of packaged energy beverages, under “FULL POWER”, which is contract manufactured by a third party, namely Viet International Co. Ltd. in Vietnam. The trademark of “FULL POWER” was registered in 2014 and we further obtained the registered trademark for “FULL POWER Extra!” in 2018.</li> <li data-bbox="496 745 1390 824">▪ In 2015, Topstar was incorporated in Singapore focusing on the wholesale distribution of fresh vegetables to serve the market in Singapore.</li> <li data-bbox="496 857 1390 913">▪ In 2017, FP Foods was incorporated and commenced the wholesale distribution of packaged beverages business.</li> <li data-bbox="496 947 1390 1182">▪ In 2018, we commenced the construction of an operational facility on a 1.9-acre piece of land, bearing postal address Lot 55358, Jalan Seelong Jaya 15, 81400 Senai, Kulai, Johor (“<b>Lot 55358</b>”), which was acquired in 2014. Following the completion of construction in 2019, we relocated our operational facilities from Skudai to Senai in the same year, currently known as the Senai Centralised Distribution Centre which then had operational facilities of 18,660 sq. ft. of cold room facilities for storage and processing space.</li> <li data-bbox="496 1216 1390 1328">▪ In 2020, our subsidiary, Farm Price obtained ISO 9001, HACCP and GMP certifications where our Senai Centralised Distribution Centre is HACCP and GMP certified for the processing and packing of fresh vegetables and fruits.</li> </ul>
2021- 2022	<ul style="list-style-type: none"> <li data-bbox="496 1357 1390 1507">▪ In 2021, we completed the expansion of our operational facilities including the construction of an additional cold room facility for storage and processing of fresh vegetables by 5,406 sq. ft. After the expansion, our Senai Centralised Distribution Centre has a total of 24,066 sq. ft. of cold room facilities for storage and processing space.</li> <li data-bbox="496 1541 1390 1619">▪ In 2022, Farm Price obtained Halal certification mainly for the wholesale distribution of prepacked and fresh-cut vegetables at Senai Centralised Distribution Centre.</li> </ul> <p data-bbox="539 1659 1390 1751">The Halal Certification will provide assurance that the products are of high quality and safe for consumption. In addition, it will provide opportunity for a wider market reach.</p>

## 6. INFORMATION ON OUR GROUP (Cont'd)

Year	Key events and milestones
2021- 2022 (Cont'd)	<ul style="list-style-type: none"> <li>▪ In 2022, FP Foods started the distribution of our own brand of fruit-based packaged beverage under the brand name of “ARIOS” which is contract manufactured by a third-party, namely Nguyen Pham Viet Beverage Company Limited in Vietnam. The trademark of “ARIOS” was registered in the same year. As at the LPD, the distribution of our own brand of fruit-based packaged beverages is for the market in Malaysia. During the Financial Years Under Review and up to the LPD, we have not expanded into the market in Singapore for packaged beverages as we were focusing our marketing efforts mainly on the wholesale distribution of fresh vegetables in Singapore.</li> <li>▪ In November 2022, we acquired Lot 55359, that is located behind our existing Senai Centralised Distribution Centre for expansion. Please refer to Section 6.20.1.1 of this Prospectus for further details.</li> </ul>

### Key Accreditations, Awards and Recognitions

For the Financial Years Under Review and up to LPD, we obtained the following awards and recognitions:

Year	Key awards and recognitions
2020	<ul style="list-style-type: none"> <li>▪ SME 100 Awards: Malaysia’s Fast-Moving Companies awarded by Business Media International (SME Magazine)</li> <li>▪ Brand SME Excellence – Agro Distributor in the SME and Entrepreneurs Business Awards (SEBA) 2020 awarded by Entrepreneurship Foundation Malaysia</li> </ul>

As at the LPD, we have been accredited with the following certifications and management systems:

### Farm Price

Accreditation	Scope	Issuing party	Validity period
Good manufacturing practices (GMP)	Processing and packing of vegetable and fruit	GICL	2 March 2023 – 1 March 2026
Hazard Analysis and Critical Control Point (HACCP)	Processing and packing of vegetable and fruit	GICL	2 March 2023 – 1 March 2026
ISO 9001: 2015	Processing and packing of vegetable and fruit	GICL	22 March 2023 – 12 February 2026
Halal	Fresh vegetables <sup>(1)</sup>	Department of Islamic Development Malaysia	1 November 2022 – 31 October 2024

#### Note:

(1) *Applicable for 66 approved items of prepacked and fresh-cut vegetables and such list may be updated from time-to-time. Please refer to Section 6.22 of this Prospectus for further details.*

## 6. INFORMATION ON OUR GROUP (Cont'd)

### 6.1.2 Our competitive advantages and key strengths

Our competitive advantages and key strengths will provide us with the platform to grow our business. These are as follows:

**(a) We have an established track record of 20 years in the wholesale distribution of fresh vegetables**

We have an established track record of 20 years in the wholesale distribution of fresh vegetables since our commencement of the supply of fresh vegetables in 2004. We initially served customers in Johor before expanding our coverage to Singapore in 2006 and Sarawak in 2022. We have been focusing our marketing efforts for the wholesale distribution of fresh vegetables mainly in Johor and Singapore up until 2022 when we expanded to Sarawak. The opportunity to expand into Sarawak arises when we received a reference from an existing customer and we are able to meet the requirements from the customers in Sarawak in supplying them with a variety of fresh vegetables. We are still continuing to supply to those customers up to the LPD. Since 2014, we have also incorporated F&B products namely packaged beverages to our product range within wholesale distribution. The wholesale distribution segment is our main revenue contributor which accounted for 96.71% (RM71.12 million), 95.64% (RM78.39 million), 95.93% (RM90.54 million) and 93.62% (RM106.91 million) of our total revenue for FYE 2020, FYE 2021, FYE 2022 and FYE 2023, respectively, representing a CAGR of 14.55%.

Since commencement of our operations, we have developed and cultivated an extensive customer base which ranges between approximately 800 active customers to 1,000 active customers for the Financial Years Under Review. Our customer base mainly comprises resellers such as supermarkets, minimarkets, grocery stores and wholesalers as well as end-user industries including food manufacturers and food service operators. For the FYE 2023, 60% of our top five (5) customers have been dealing with us for a minimum of five (5) years or more.

Our established track record in the wholesale distribution of fresh vegetables and our customer base will continue to serve as a platform to sustain and grow our business.

**(b) We offer a wide variety of fresh vegetables to meet the requirements of our customers with value-added services to grow our business**

As at the LPD, we offer a wide variety of fresh vegetables of approximately 980 SKUs of fresh vegetables in the categories set out below:

- fruit vegetables (such as chilli, tomato and cucumber);
- leafy vegetables (such as cabbage, lettuce and spinach);
- bulb vegetables (such as onion, garlic and spring onion);
- tuber vegetables (such as potato, sweet potato and yam);
- flower vegetables (such as broccoli and cauliflower);
- seed vegetables (such as beans, sweet corn and peas);
- root vegetables (such as carrot, turnip and radish);
- stem vegetables (such as celery, leek and asparagus); and
- others (such as mushrooms and herbs including ginger).

## 6. INFORMATION ON OUR GROUP (Cont'd)

Within the fresh vegetables segment, we provide the following value-added services including customised packaging and processing of fresh vegetables to meet the requirements of our customers:

- Prepacked fresh vegetables involves carrying out the individual packaging of the fresh vegetables into various retail packaging format including mesh bags, plastic bags with or without perforation, clamshells or plastic trays with film. The fresh vegetables will be sorted by size and shape with the removal of unwanted parts, trimmed and then weighed before packing into individual retail packs. The retail packaging format enables our customers namely retailers to facilitate the ease of display at their retail outlets such as supermarkets and minimarkets. These types of retail packed fresh vegetables are mainly supplied to customers who are retailers in Johor and Singapore.
- Fresh-cut vegetables are targeted at the food services sector. Fresh-cut vegetables refer to fresh vegetables that have undergone additional processing such as washing, peeling or cutting and ready to be used by our customers who are food service operators such as caterers, hotels, hawker and food court stalls, restaurants as well as wholesalers.

Our value-added services help to facilitate convenience and reduce preparation time for our customers. We are also able to command a higher margin from providing the above value-added services. This was reflected in the higher GP margin achieved from the wholesale distribution of prepacked fresh vegetables and fresh-cut vegetables of 20.76% and 39.59% for FYE 2023 respectively which was relatively higher compared to 14.75% from GP margin for whole fresh vegetables in FYE 2023.

We are GMP and HACCP certified for the processing and packing of fresh vegetables. Our wide range of whole, prepacked and fresh-cut vegetables are aimed at meeting the needs and requirements of various customer groups including wholesalers, retailers, food manufacturers and food service operators to help sustain and grow our business.

### (c) **We have the key supporting infrastructure to facilitate the distribution of fresh vegetables, F&B products and other groceries to our customers**

We are primarily a wholesale distributor of fresh vegetables which are perishable items that requires timely deliveries to market within a short period of time. As such, our ability to deliver fresh produce to our customers promptly and on a daily basis is key in retaining customer loyalty.

We have the key cold chain infrastructure to support our wholesale distribution of fresh vegetables and this includes:

- 14 refrigerated trucks as at the LPD to provide daily deliveries of fresh vegetables to our customers in Johor and Singapore.
- 24,066 sq. ft. of cold room facilities comprising of chiller storage areas and of air-conditioned areas for processing and packing. Our Senai Centralised Distribution Centre is HACCP and GMP certified for the processing and packing of fresh vegetables.

The cold room facilities provide the platform for the storage of vegetables to ensure that our Group is able to provide regular and constant supply to their customers while the air-conditioned areas help to maintain the freshness of the vegetables during processing and packing. Meanwhile, the refrigerated trucks provide the temperature required to ensure the vegetables remain fresh during transportation and delivery.

**6. INFORMATION ON OUR GROUP (Cont'd)**

As at the LPD, the wholesale distribution of our dry goods namely F&B products and groceries are supported by ambient temperature facilities in our Senai Centralised Distribution Centre in Johor and six (6) regional distribution centres in the different states including:

- Perak: one (1) distribution centre in Menglembu;
- Selangor: one (1) distribution centre in Kajang and one (1) distribution centre in Klang;
- Johor: one (1) distribution centre in Tangkak and one (1) distribution centre in Batu Pahat;
- Penang: one (1) distribution centre in Simpang Ampat.

We are also supported by our fleet of 25 other delivery trucks as at the LPD including canvas lorries and box trucks which are used for the delivery of fresh vegetables (which do not require refrigeration) as well as F&B products and groceries.

Our Senai Centralised Distribution Centre coupled with our cold chain infrastructure of refrigerated trucks and cold room facilities enables us to deliver fresh vegetables efficiently and promptly to meet our customers' needs and maintain customer loyalty mainly in the state of Johor in Malaysia as well as Singapore.

**(d) We have built an extensive network of suppliers in Malaysia and foreign countries to provide us with a continuous source of supply of fresh vegetables**

We source our fresh vegetables from growers of fresh produce and suppliers domestically in Malaysia as well as foreign countries. Our ability to source fresh vegetables from multiple sources allow us to have consistent and reliable sources of supply of fresh vegetables to meet the needs of our customers all year round.

Our sourcing ability is supported by our extensive supplier base of fresh vegetables which ranges between approximately 90 suppliers to 100 suppliers for the Financial Years Under Review including approximately 15 to 20 foreign suppliers and approximately 75 to 80 domestic suppliers.

During the Financial Years Under Review, the purchases of imported fresh vegetables accounted for 73.30%, 76.57%, 77.21% and 81.85% of our total purchases of fresh vegetables for the FYE 2020, FYE 2021, FYE 2022 and FYE 2023, respectively. The remaining 26.70%, 23.43%, 22.79% and 18.15% of the total purchases of fresh vegetables for the FYE 2020, FYE 2021, FYE 2022 and FYE 2023, respectively were sourced domestically in Malaysia.

For the FYE 2023, we sourced our fresh vegetables from Malaysia as well as other foreign countries including mainly Thailand, China, Vietnam, Indonesia and India. This strategy to source from a multitude of suppliers enable us to reduce our dependency on a single source of supply, for example, our leafy vegetables such as cabbage are sourced from China, Indonesia and Vietnam. This is to minimise any interruptions in the supply of certain types of fresh vegetables.

**6. INFORMATION ON OUR GROUP (Cont'd)****(e) We have both indirect and direct distribution channels to optimise our market access and coverage of our products**

We use two (2) distribution channels for our sales and marketing to maximise our market reach to serve our customers. Our indirect distribution channel uses intermediaries such as wholesalers and retailers including supermarkets, minimarkets and grocery stores who purchase our products and resell them without transformation to their respective network of customers.

Our direct channel strategy involves sales and marketing of our products to users of our fresh vegetables such as food service operators including caterers, hotels, hawker and food court stalls, restaurants as well as food manufacturers. This group of customers buy our products to serve their respective end-consumer customer base. As at the LPD, we also have one (1) retail outlet located in Ulu Tiram, Johor with a built-up area of 1,330 sq. ft., where we retail our fresh vegetables together with F&B products and other groceries to end-consumers.

Our two (2) distribution channels enable us to optimise our market coverage to sustain and grow our business.

**(f) We have experienced Executive Directors and Key Senior Management to drive and grow our business**

The extensive experience of our Managing Director and Executive Director and Key Senior Management forms a competitive advantage to our Group in terms of market understanding and knowledge. Our Managing Director, Dr. Tiong Lee Chian has 20 years of experience in the wholesale distribution business and he is responsible for the strategic direction, growth and development of our Group. He is supported by our Executive Director, Liew Tsuey Er who also has 20 years of experience in the wholesale distribution business where she is responsible for our overseeing the overall operations as well as the sourcing and procurement of the Group.

They are supported by our Key Senior Management which comprises the following:

- Mok Min Yee, our Senior Finance Manager who brings with her 15 years of experience in the accounting field;
- Christopher Lim Thin Chee, our Sales Manager who brings with him 14 years of sales related experience;
- Ho Chek Keong, our Logistic, Operation and Warehouse Manager who brings with him eight (8) years of experience in the operations of wholesale distribution business; and
- Nurul Fatina Binti Zakaria, our Quality Assurance and Compliance Manager who brings with her eight (8) years of experience in compliance related matters in F&B including fresh vegetables.

Please refer to Sections 5.2.2 and 5.2.8 of this Prospectus for further details on the profiles of our Directors and Key Senior Management.

**6. INFORMATION ON OUR GROUP (Cont'd)**

**6.1.3 Share capital and changes in share capital**

As at the LPD, our issued share capital is RM50 comprising 1,000 ordinary shares.

The details of the changes in our issued share capital since incorporation up to the LPD are as follows:

<b>Date of allotment</b>	<b>No. of Shares</b>	<b>Nature of transaction</b>	<b>Consideration</b>	<b>Cumulative issued share capital (RM)</b>	<b>Cumulative no. of Shares</b>
23 May 2023	2	Subscribers' shares	Cash	2	2
9 June 2023	998	Allotment of shares	Cash	50	1,000
22 March 2024	347,999,000	Allotment of shares	Otherwise than Cash for the Acquisitions	15,973,204	348,000,000

There were no discounts, special terms or instalment payment terms given in consideration of the allotment.

As at the LPD, we do not have any outstanding warrants, options, convertible securities and uncalled capital.

Upon completion of our Listing, our issued share capital will increase to RM40,453,204 comprising 450,000,000 Shares.



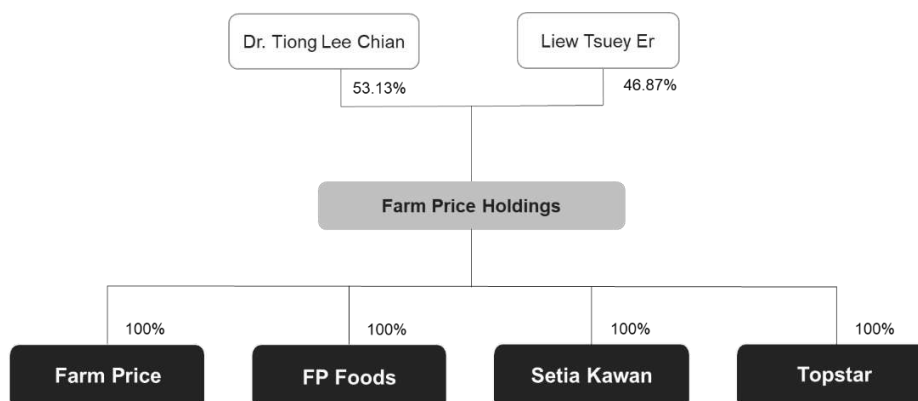
## 6. INFORMATION ON OUR GROUP (Cont'd)

### 6.1.4 Group Structure

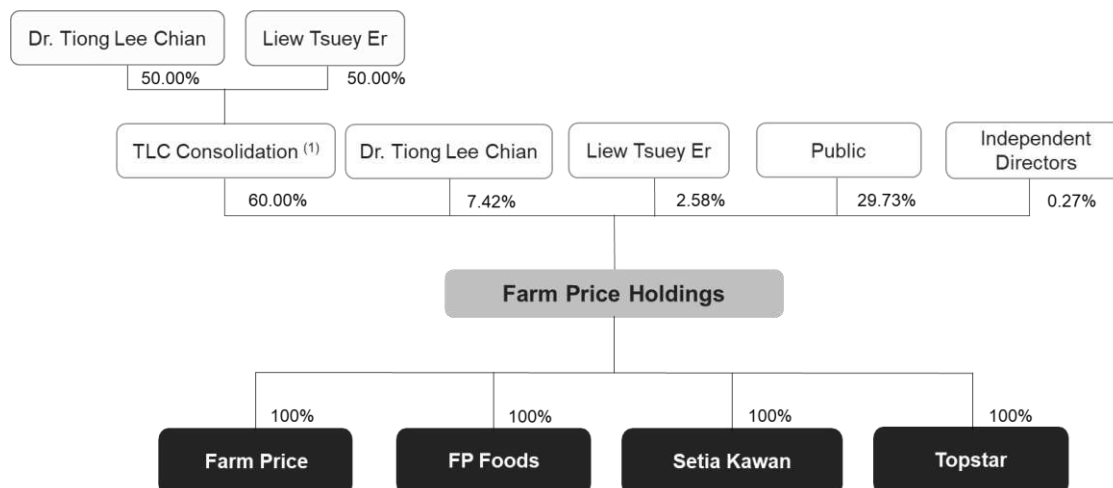
Our Group was formed on 22 March 2024 pursuant to the completion of the Acquisitions whereby Farm Price, FP Foods, Setia Kawan, and Topstar became wholly-owned subsidiaries of our Company.

Our Group's structure is as follows:

#### After the Acquisitions but before our IPO <sup>(1)</sup>



#### After our IPO <sup>(2) (3)</sup>



#### **Notes:**

- (1) Based on the issued share capital of 348,000,000 Shares after the completion of the Acquisitions but before our IPO.
- (2) Based on the enlarged issued share capital of 450,000,000 Shares after our IPO.
- (3) Assuming our Independent Non-Executive Directors and Key Senior Management will fully subscribe for their respective allocation under the Pink Form Allocation.

As at the LPD, our Group does not have any joint venture or associates.

Further details on our subsidiaries are set out in Section 6.2 of this Prospectus.

## 6. INFORMATION ON OUR GROUP (Cont'd)

### 6.2 INFORMATION ON OUR SUBSIDIARIES

#### 6.2.1 Farm Price

##### (a) Background, history and principal activities

Farm Price was incorporated on 19 September 2001 in Malaysia under the Companies Act 1965 as a private limited company under the name of Blue-Doll Marketing Sdn Bhd and is deemed registered under the Act. It assumed its present name on 7 October 2004.

Farm Price is principally involved in the wholesale distribution of fresh vegetables and F&B products. Farm Price's principal place of business is in Malaysia.

##### (b) Share capital

As at the LPD, the issued share capital of Farm Price is RM2,450,000 comprising 2,450,000 ordinary shares.

The changes in Farm Price's issued share capital since incorporation up to the LPD are as follows:

Date of allotment	No. of ordinary shares allotted	Consideration	Cumulative no. of shares	Cumulative share capital (RM)
19 September 2001	2	Cash	2	2
12 April 2006	399,998	Cash	400,000	400,000
6 April 2009	300,000	Cash	700,000	700,000
6 April 2012	500,000	Cash	1,200,000	1,200,000
4 June 2014	500,000	Cash	1,700,000	1,700,000
27 May 2015	300,000	Cash	2,000,000	2,000,000
18 August 2017	300,000	<sup>(1)</sup> Otherwise than Cash	2,300,000	2,300,000
26 February 2018	150,000	<sup>(2)</sup> Otherwise than Cash	2,450,000	2,450,000

##### Notes:

- (1) On 18 August 2017, Farm Price capitalised a sum of RM300,000 due to Dr. Tiong Lee Chian and Liew Tsuey Er by way of allotment and issuance of 150,000 ordinary shares of RM1.00 each to the directors of Farm Price as part settlement of advances by them.
- (2) On 26 February 2018, Farm Price capitalised a sum of RM150,000 due to Dr. Tiong Lee Chian and Liew Tsuey Er by way of allotment and issuance of 75,000 ordinary shares of RM1.00 each to the directors of Farm Price as part settlement of advances by them.

As at the LPD, Farm Price does not have any outstanding warrants, options, convertible securities or uncalled capital.

**6. INFORMATION ON OUR GROUP (Cont'd)**

**(c) Substantial shareholder and Directors**

Farm Price is a wholly-owned subsidiary of our Company. Other than the Acquisition of Farm Price by our Company, there were no changes to the shareholders of Farm Price for the past three (3) years up to the LPD. Please refer to Section 4.1.1(a)(i) of this Prospectus for further details of the Acquisition of Farm Price.

As at the LPD, the directors of Farm Price are Dr. Tiong Lee Chian and Liew Tsuey Er.

**(d) Subsidiary, associate and joint venture**

As at the LPD, Farm Price does not have any subsidiary, associate or joint venture.

**6.2.2 FP Foods**

**(a) Background, history and principal activities**

FP Foods was incorporated on 27 October 2017 in Malaysia under the Act as a private limited company under its present name.

FP Foods is principally involved in the wholesale distribution of F&B products and groceries. FP Foods's principal place of business is in Malaysia.

**(b) Share capital**

As at the LPD, the issued share capital of FP Foods is RM800,000 comprising 800,000 ordinary shares.

The changes in FP Foods' issued share capital since incorporation up to the LPD are as follows:

Date of allotment	No. of ordinary shares allotted	Consideration	Cumulative no. of shares	Cumulative share capital (RM)
27 October 2017	100,000	Cash	100,000	100,000
6 June 2018	150,000	Cash	250,000	250,000
25 October 2018	550,000	Cash	800,000	800,000

As at the LPD, FP Foods does not have any outstanding warrants, options, convertible securities or uncalled capital.

**(c) Substantial shareholder and Directors**

FP Foods is a wholly-owned subsidiary of our Company. Other than the Acquisition of FP Foods by our Company, there were no changes to the shareholders of FP Foods for the past three (3) years up to the LPD. Please refer to Section 4.1.1(a)(ii) of this Prospectus for further details of the Acquisition of FP Foods.

As at the LPD, the directors of FP Foods are Dr. Tiong Lee Chian and Liew Tsuey Er.

**(d) Subsidiary, associate and joint venture**

As at the LPD, FP Foods does not have any subsidiary, associate or joint venture.

**6. INFORMATION ON OUR GROUP (Cont'd)****6.2.3 Setia Kawan****(a) Background, history and principal activities**

Setia Kawan was incorporated on 16 December 2010 in Malaysia under the Companies Act 1965 as a private limited company under its present name and is deemed registered under the Act.

Setia Kawan is principally involved in the retailing of fresh vegetables, F&B products, and groceries. Setia Kawan's principal place of business is in Malaysia.

**(b) Share capital**

As at the LPD, the issued share capital of Setia Kawan is RM480,002 comprising 480,002 ordinary shares.

The changes in Setia Kawan's issued share capital since incorporation up to the LPD are as follows:

Date of allotment	No. of ordinary shares allotted	Consideration	Cumulative no. of shares	Cumulative share capital (RM)
16 December 2010	2	Cash	2	2
6 July 2011	480,000	Cash	480,002	480,002

As at the LPD, Setia Kawan does not have any outstanding warrants, options, convertible securities or uncalled capital.

**(c) Substantial shareholder and Directors**

Setia Kawan is a wholly-owned subsidiary of our Company. Other than the Acquisition of Setia Kawan by our Company, there were no changes to the shareholders of Setia Kawan for the past three (3) years up to the LPD. Please refer to Section 4.1.1(a)(iii) of this Prospectus for further details of the Acquisition of Setia Kawan.

As at the LPD, the directors of Setia Kawan are Dr. Tiong Lee Chian and Liew Tsuey Er.

**(d) Subsidiary, associate and joint venture**

As at the LPD, Setia Kawan does not have any subsidiary, associate or joint venture.

**6.2.4 Topstar****(a) Background, history and principal activities**

Topstar was incorporated on 3 July 2015 in Singapore under the Singapore Companies Act as a private limited company under its present name.

Topstar is principally involved in the wholesale distribution of fresh vegetables. Topstar's principal place of business is in Singapore.

**(b) Share capital**

As at the LPD, the issued share capital of Topstar is SGD20,002 comprising 20,002 ordinary shares.

## 6. INFORMATION ON OUR GROUP (Cont'd)

The changes in Topstar's issued share capital since incorporation up to the LPD are as follows:

Date of allotment	No. of ordinary shares allotted	Consideration	Cumulative no. of shares	Cumulative share capital (SGD)
3 July 2015	2	Cash	2	2
5 June 2020	20,000	Cash	20,002	20,002

As at the LPD, Topstar does not have any outstanding warrants, options, convertible securities or uncalled capital.

### (c) Substantial shareholder and Directors

Topstar is a wholly-owned subsidiary of our Company. Other than the Acquisition of Topstar by our Company, there were no changes to the shareholders of Topstar for the past three (3) years up to the LPD. Please refer to Section 4.1.1(a)(iv) for further details of the Acquisition of Topstar.

As at the LPD, the director of Topstar is Dr. Tiong Lee Chian.

### (d) Subsidiary, associate and joint venture

As at the LPD, Topstar does not have any subsidiary, associate or joint venture.

## 6.3 MATERIAL CAPITAL EXPENDITURE AND DIVESTITURES

### 6.3.1 Material capital expenditures

Our Group's material capital expenditure or divestitures for the Financial Years Under Review and up to the LPD are as follows:

Capital expenditures	Audited FYE				Unaudited
	2020	2021	2022	2023	1 January 2024 up to the LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Freehold land	-	-	2,689	-	-
Building facilities	1,093	180	-	57	-
Cold room, furniture and fittings and office equipment	147	1,012	25	532	26
Computer and software	18	31	53	57	11
Renovation and electrical installation	185	175	282	174	26
Machinery, tools and equipment	190	604	176	214	21
Motor vehicles	912	751	876	1,802	197
Property under construction	130	-	1,130	1,241	-
Leasehold building	-	-	32	-	-
<b>Total</b>	<b>2,675</b>	<b>2,753</b>	<b>5,263</b>	<b>4,077</b>	<b>281</b>

**6. INFORMATION ON OUR GROUP (Cont'd)**

Our material capital expenditures were primarily funded via a combination of bank borrowings and/or internally generated funds.

**FYE 2020**

For the FYE 2020, our capital expenditures mainly related to the following:

- (a) installation of cold room facilities as well as the electrical installation for our Senai Centralised Distribution Centre amounting to RM1.09 million;
- (b) purchase of motor vehicles amounting to RM0.91 million comprising the purchase of two (2) units of forklifts for loading and unloading of stocks, three (3) units of trucks for delivery of goods as well as a vehicle for our Managing Director's business travelling;
- (c) purchase of machinery, tools and equipment amounting to RM0.19 million comprising the purchase of, among others, one (1) set of air compressor system, one (1) unit of vacuum pack machine and one (1) unit of vegetable cutting machine and others; and
- (d) renovation and electrical installation amounting to RM0.19 million is mainly for our Senai Centralised Distribution Centre.

**FYE 2021**

For the FYE 2021, our capital expenditures mainly related to the following:

- (a) installation of photovoltaic solar system under the category of the office equipment amounting to RM0.97 million;
- (b) purchase of motor vehicles amounting to RM0.75 million comprising the purchase of five (5) units of trucks for delivery of goods;
- (c) purchase of machinery, tools and equipment amounting to RM0.60 million comprising of one (1) unit of vacuum precooling equipment, one (1) unit of packing machine, two (2) labelling machine, one (1) heavy duty racking system and others machineries;
- (d) installation of additional cold room facilities amounting to RM0.18 million; and
- (e) renovation and electrical installation amounting to RM0.18 million for our Senai Centralised Distribution Centre.

**FYE 2022**

For the FYE 2022, our capital expenditures mainly related to the following:

- (a) purchase of Lot 55359 amounting to RM2.69 million after including of other related expenses;
- (b) construction of our regional distribution centre in Nilai, Negeri Sembilan amounting to RM1.13 million;
- (c) purchase of motor vehicles amounting to RM0.88 million comprising the purchase of two (2) units of trucks and a van for delivery of goods as well as three (3) units of vehicles for the usage by our Company's staff; and
- (d) purchase of machinery, tools and equipment amounting to RM0.18 million.

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**6. INFORMATION ON OUR GROUP (Cont'd)**

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**FYE 2023**

For the FYE 2023, our capital expenditures mainly related to the following:

- (a) purchase of motor vehicles amounting to RM1.80 million comprising the purchase of 12 units of trucks for delivery of goods and five (5) units of forklift for loading and unloading of stocks;
- (b) construction of our regional distribution centre in Nilai, Negeri Sembilan amounting to RM0.99 million and earthwork for Lot 55359 amounting to RM0.25 million;
- (c) installation of fire protection system, furniture and fittings as well as other office equipment amounting to RM0.53 million; and
- (d) purchase of machinery, tools and equipment amounting to RM0.21 million comprising of, among others, one (1) unit of vacuum machine, one (1) unit of ice machine and one (1) unit of manual clipping machine.

From 1 January 2024 up to the LPD, our capital expenditures of RM0.28 million mainly comprised of, among others, the purchase of a new refrigerated truck of RM0.20 million and installation of new sanitary system for hostel of RM0.03 million, the final payment for the fire protection system of RM0.01 million as well as the fees incurred for the website design and development of RM0.01 million.

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**6. INFORMATION ON OUR GROUP (Cont'd)****6.3.2 Material divestitures**

Our Group's material divestitures for the Financial Years Under Review and up to the LPD are as follows:

Divestitures	Audited FYE				Unaudited
	2020	2021	2022	2023	1 January 2024 up to the LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Freehold land	-	175	1,845	-	-
Freehold building	-	310	3,941	1,256	-
Leasehold land	-	-	-	91	-
Leasehold building	-	-	-	370	-
Cold room, furniture and fittings, and office equipment	30	-	-	-	*
Motor vehicles	19	14	-	-	-
<b>Total</b>	<b>49</b>	<b>499</b>	<b>5,786</b>	<b>1,717</b>	<b>*</b>

**Note:**

\* Denotes less than RM1,000

**FYE 2020**

For the FYE 2020, our material divestitures mainly related to the following:

- (a) dispose of furniture and fittings, and office equipment amounting to RM0.03 million; and
- (b) dispose of a forklift amounting to RM0.02 million.

**FYE 2021**

For the FYE 2021, our material divestitures mainly related to the disposal of an investment property amounting to RM0.49 million.

**FYE 2022**

For the FYE 2022, our material divestitures mainly related to the disposal of seven (7) investment properties amounting to RM5.79 million.

**FYE 2023**

For the FYE 2023, our material divestitures mainly related to the disposal of three (3) investment properties amounting to RM1.72 million.

From 1 January 2024 up to the LPD, our Group has disposed the office equipment of which amount is less than RM1,000.

For information purposes, the disposal of investment properties in the FYE 2021, FYE 2022 and FYE 2023 were part of our Group's asset rationalisation exercise.

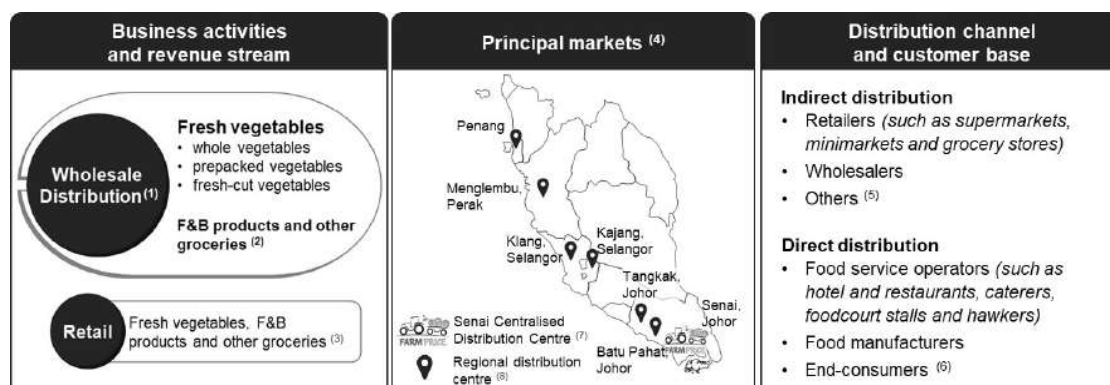


## 6. INFORMATION ON OUR GROUP (Cont'd)

### 6.4 BUSINESS OVERVIEW

#### 6.4.1 Our business model

Our business model is as follows:



#### Notes:

- (1) Revenue from wholesale distribution accounted for 96.71%, 95.64%, 95.93% and 93.62% of our total revenue for the Financial Years Under Review while the remaining was from retailing operations.
- (2) Include packaged beverages, spices and seasonings, other food products as well as personal care products.
- (3) For the Financial Years Under Review and up to the LPD, we operate one (1) retail store in Ulu Tiram, Johor, Malaysia.
- (4) For the Financial Years Under Review, revenue was mainly derived from Malaysia which accounted for 79.64%, 76.68%, 74.68% and 74.54% of our total revenue for the Financial Years Under Review. The remainder of our revenue was from Singapore which accounted for 20.36%, 23.32%, 25.32% and 25.46% of our total revenue for the Financial Years Under Review.
- (5) Includes ship chandlers and army camp suppliers.
- (6) Refers to walk-in customers at our retail store.
- (7) Our Senai Centralised Distribution Centre serves both Malaysia and Singapore markets for the wholesale distribution of fresh vegetables, F&B products and other groceries.
- (8) Each of our regional distribution centres focus on the wholesale distribution of F&B products and other groceries in their respective regions including northern region, central region as well as southern region of Peninsular Malaysia.

#### 6.4.2 Business activities and revenue stream

##### (i) Wholesale distribution segment

We are primarily a wholesale distributor of fresh vegetables comprising whole vegetables, prepacked vegetables and fresh-cut vegetables to wholesalers, retailers, food service operators and manufacturers. Fresh vegetables are typically perishable and will be required to be brought to market and sold within a short lead time after harvest. As a wholesale distributor, we play a key role in the fresh vegetable supply chain where we source our fresh vegetables from domestic and foreign growers, distributors and importers to provide us with a range of vegetables to meet the fresh vegetable requirements of our customers mainly in Johor and Singapore. For the FYE 2020, FYE 2021, FYE 2022 and FYE 2023, wholesale distribution segment was our largest revenue contributor which accounted for 96.71%, 95.64%, 95.93% and 93.62% respectively.

## 6. INFORMATION ON OUR GROUP (Cont'd)

Our range of fresh vegetables cover a wide variety and this includes the following:

- fruit vegetables (such as chilli, tomato and cucumber);
- leafy vegetables (such as cabbage, lettuce and spinach);
- bulb vegetables (such as onion, garlic and spring onion);
- tuber vegetables (such as potato, sweet potato and yam);
- flower vegetables (such as broccoli and cauliflower);
- seed vegetables (such as beans, sweet corn and peas);
- root vegetables (such as carrot, turnip and radish);
- stem vegetables (such as celery, leek and asparagus); and
- others (such as mushroom and herbs including ginger).

We also supply F&B products and other groceries to retailers including minimarkets and grocery stores and this comprises mainly packaged beverages, spices and seasonings, other food products as well as personal care products such as hair care and body care products.

Our wholesale distribution operations are supported by our Senai Centralised Distribution Centre in Johor which comprises cold room facilities for storage, processing and packing, as well as ambient temperature storage, processing and packing space. Our Senai Centralised Distribution Centre serves both Malaysia and Singapore markets for fresh vegetables, F&B products and other groceries.

As at the LPD, we have a fleet of 39 trucks comprising 14 refrigerated trucks for the daily transportation of fresh vegetables within Johor and Singapore, and 25 other delivery trucks including canvas lorries and box trucks which are used for the delivery of fresh vegetables (which do not require refrigeration) as well as F&B products and groceries. Our processing and packing operations in our Senai Centralised Distribution Centre are ISO 9001, GMP and HACCP certified.

In addition, we have six (6) regional distribution centres focusing on the wholesale distribution of F&B products and other groceries. The details are as follows:

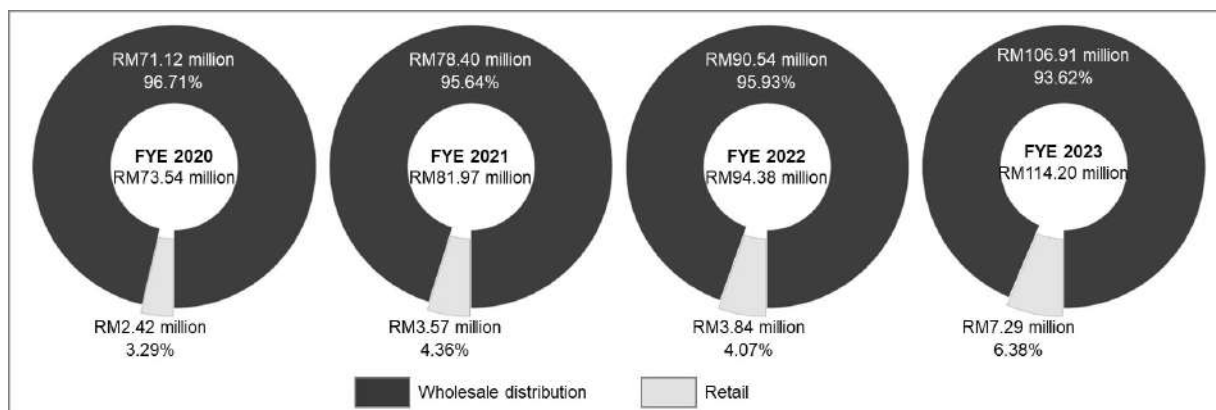
- Johor: one (1) distribution centre in Tangkak and one (1) distribution centre in Batu Pahat;
- Selangor: one (1) distribution centre in Kajang and one (1) distribution centre in Klang;
- Perak: one (1) distribution centre in Menglembu; and
- Penang: one (1) distribution centre in Simpang Ampat.

### (ii) Retail segment

We are also involved in the operation of one (1) retail store namely, Mamaku, which is selling fresh vegetables, F&B products and other groceries in Puteri Mart in Ulu Tiram, Johor. Revenue contribution from the retail outlet accounted for 3.29%, 4.36%, 4.07% and 6.38% of our revenue for the FYE 2020, FYE 2021, FYE 2022 and FYE 2023, respectively.

**6. INFORMATION ON OUR GROUP (Cont'd)**

For the Financial Years Under Review, our revenue contribution by business activities are set out below:

**Revenue segmentation by business activities**


Our Group's revenue segmentation by products under wholesale distribution and retail segments are as follows:

	FYE 2020		FYE 2021		FYE 2022		FYE 2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
<b>Wholesale distribution</b>	<b>71,123</b>	<b>96.71</b>	<b>78,393</b>	<b>95.64</b>	<b>90,535</b>	<b>95.93</b>	<b>106,914</b>	<b>93.62</b>
▪ Fresh vegetables	58,736	79.87	66,935	81.66	77,857	82.50	88,626	77.61
○ <i>Whole fresh vegetables</i>	42,623	57.96	46,816	57.12	54,142	57.37	58,268	51.02
○ <i>Prepacked fresh vegetables</i>	12,176	16.56	14,680	17.91	15,619	16.55	17,499	15.33
○ <i>Fresh-cut vegetables</i>	3,937	5.35	5,439	6.63	8,096	8.58	12,859	11.26
▪ F&B products and other groceries	12,387	16.84	11,458	13.98	12,678	13.43	18,288	16.01
○ <i>Packaged beverages</i>	8,654	11.77	7,851	9.58	8,160	8.64	11,041	9.67
○ <i>Other F&amp;B products and groceries <sup>(1)</sup></i>	3,733	5.07	3,607	4.40	4,518	4.79	7,247	6.34
<b>Retailing segment <sup>(2)</sup></b>	<b>2,417</b>	<b>3.29</b>	<b>3,573</b>	<b>4.36</b>	<b>3,841</b>	<b>4.07</b>	<b>7,285</b>	<b>6.38</b>
▪ Fresh vegetables	1,148	1.56	1,872	2.28	1,822	1.93	4,692	4.11
▪ F&B products and other groceries	1,269	1.73	1,701	2.08	2,019	2.14	2,593	2.27
<b>Total revenue</b>	<b>73,540</b>	<b>100.00</b>	<b>81,966</b>	<b>100.00</b>	<b>94,376</b>	<b>100.00</b>	<b>114,199</b>	<b>100.00</b>

**Notes:**

- (1) Includes spices and seasonings, other food products as well as personal care products.
- (2) Includes fresh vegetables, F&B products and other groceries.

**6. INFORMATION ON OUR GROUP (Cont'd)**

**6.4.3 Principal market**

We principally operate in Malaysia where our head office and Senai Centralised Distribution Centre are located in Senai, Johor. We are also supported by regional distribution centres in the various states including Johor, Selangor, Perak and Penang.

For the Financial Years under Review, our revenue segmented by geographical markets are as follows:

	FYE 2020		FYE 2021		FYE 2022		FYE 2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
<b>Malaysia</b>	<b>58,567</b>	<b>79.64</b>	<b>62,848</b>	<b>76.68</b>	<b>70,480</b>	<b>74.68</b>	<b>85,120</b>	<b>74.54</b>
▪ Johor	53,154	72.28	58,103	70.89	64,241	68.07	74,033	64.83
▪ Selangor and Kuala Lumpur	2,513	3.42	2,326	2.84	2,590	2.74	3,968	3.47
▪ Perak	1,187	1.61	1,260	1.54	1,105	1.17	1,612	1.41
▪ Negeri Sembilan	979	1.33	535	0.65	442	0.47	740	0.65
▪ Penang	424	0.58	336	0.41	394	0.42	800	0.70
▪ Kedah	186	0.25	206	0.25	436	0.46	515	0.45
▪ Malacca	124	0.17	82	0.10	135	0.14	184	0.16
▪ Sarawak	-	-	-	-	1,137	1.21	3,268	2.87
<b>Singapore</b>	<b>14,973</b>	<b>20.36</b>	<b>19,118</b>	<b>23.32</b>	<b>23,896</b>	<b>25.32</b>	<b>29,079</b>	<b>25.46</b>
<b>Total Revenue</b>	<b>73,540</b>	<b>100.00</b>	<b>81,966</b>	<b>100.00</b>	<b>94,376</b>	<b>100.00</b>	<b>114,199</b>	<b>100.00</b>

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## 6. INFORMATION ON OUR GROUP (Cont'd)

### 6.4.4 Distribution channels and customers

We utilise both indirect and direct distribution channels to market and sell our products:

- We mainly adopt an indirect distribution channel where we market and sell our fresh vegetables and F&B products and other groceries to intermediaries which comprises wholesalers, retailers including supermarkets, minimarkets and grocery stores who would then resell our products to their respective customers. A small proportion of our products are also sold through other suppliers such as ship chandlers and suppliers to army camps.
- We also adopt a direct distribution channel where we market and sell our fresh vegetables and F&B products and other groceries directly to consumers or end-users including food service operators such as caterers, hotels, hawkers and food court stalls, restaurants as well as food manufacturers. We also sell our products directly to end-consumers through the operation of our retail store.

For the Financial Years under Review, our revenue which is segmented by type of customers are as follows:

Distribution channel	FYE 2020		FYE 2021		FYE 2022		FYE 2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
<b>Indirect</b>	<b>62,621</b>	<b>85.15</b>	<b>70,923</b>	<b>86.53</b>	<b>79,537</b>	<b>84.28</b>	<b>89,338</b>	<b>78.23</b>
▪ <i>Wholesalers</i>	36,032	48.99	42,992	52.45	49,572	52.53	53,031	46.44
▪ <i>Retailers</i>	25,722	34.98	26,172	31.93	27,179	28.80	33,751	29.55
▪ <i>Others</i> <sup>(1)</sup>	867	1.18	1,759	2.15	2,786	2.95	2,556	2.24
<b>Direct</b>	<b>10,919</b>	<b>14.85</b>	<b>11,043</b>	<b>13.47</b>	<b>14,839</b>	<b>15.72</b>	<b>24,861</b>	<b>21.77</b>
▪ <i>End-consumers</i> <sup>(2)</sup>	1,092	1.48	1,617	1.97	1,746	1.85	1,918	1.68
▪ <i>Food manufacturers</i>	3,012	4.10	2,256	2.75	2,445	2.59	3,659	3.20
▪ <i>Food service operators</i> <sup>(3)</sup>	6,815	9.27	7,170	8.75	10,648	11.28	19,284	16.89
<b>Total Revenue</b>	<b>73,540</b>	<b>100.00</b>	<b>81,966</b>	<b>100.00</b>	<b>94,376</b>	<b>100.00</b>	<b>114,199</b>	<b>100.00</b>

**Notes:**

- (1) Including ship chandlers and army camp suppliers.
- (2) Sales from our retail store are derived from walk-in customers who are end-consumers.
- (3) Food service operators include caterers, hotels, hawkers and food court stalls and restaurants.

## 6. INFORMATION ON OUR GROUP (Cont'd)

### 6.5 MODES OF OPERATION

#### 6.5.1 Wholesale distribution

##### Sales and purchase frequency

Sales from the following customers are mainly based on purchase orders (including written and verbal) which are invoiced upon the delivery or collection of goods by the following customers:

- retailers including supermarkets, minimarkets and grocery stores;
- wholesalers;
- food service operators; and
- food manufacturers.

Customers make their purchases on a daily basis or periodically, such as twice a week or every specific day in the week, as well as on an ad hoc basis. As at the LPD, our Group has a subsisting agreement with Compass Group (Singapore) Pte Ltd ("**Compass**") for the supply of fresh vegetables, which is renewed on a yearly basis. While we have agreement with this customer, sales are confirmed based on purchase orders.

The prices of fresh vegetables are subject to the Price Control and Anti-Profiteering Act 2011 (formerly known as Price Control Act 1946) where the Government implemented the SKHMP. The prices of certain essential goods will be identified as price-controlled goods and maximum price will be determined for a specified period during the festive seasons. The types of goods vary according to the festive season and some of the examples of the vegetables under the scheme include:

- (a) Hari Raya: Vegetables including, among others, tomatoes, red chilli, imported round cabbage from China and Indonesia, long beans, cucumber, imported ginger, onions, garlic from China, imported potatoes from China and mustard green vegetables; and
- (b) Chinese New Year: Imported cabbage from China and Indonesia, potatoes and garlic from China.

Generally, the prices of vegetables are dependent on the supply and demand conditions, quality of fresh vegetables as well as weather conditions save for the SKHMP products during festive seasons.

Save for the subsisting agreement as mentioned above whereby the selling price for the supply of fresh vegetables is fixed, our Group revises the pricing of its fresh vegetables on a daily or periodical basis depending on the type of fresh vegetables. The pricing for prepacked and fresh-cut vegetables are relatively stable as compared to whole fresh vegetables, hence our Company does not revise the pricing for prepacked and fresh-cut vegetables frequently.

##### Listing fees and rebates

For supermarkets, we are typically subject to a one-off listing fee based on the shelf space that is allocated for our products which are deducted from our billings. In addition, the sales to supermarkets may be subject to sales rebates based on the agreed rate with our customer.

##### Return policy

All goods delivered or collected are inspected by our customers and during the inspection, they are permitted to either reject or return the goods. Once the goods are accepted, we have a no-return policy. During the Financial Years Under Review, the returned or rejected goods from our customers accounted for less than 1.00% of our total revenue for each of the respective Financial Years Under Review.

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## **6. INFORMATION ON OUR GROUP (Cont'd)**

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### **6.5.2 Retailing segment**

We have a retail store where we serve walk-in customers and payment is made via cash or e-wallet.

#### **Return policy**

While we have a return policy for other F&B products and groceries, we do not have a return policy for our fresh vegetables.

### **6.5.3 Product recall and disposal policy**

Our Group has established a product recall and disposal policy that is outlined in the documented Product Recall & Emergency Preparedness Procedure, which forms an integral part of our ISO 9001 certification. In the event of a product recall of our fresh vegetables, F&B products and other groceries, our recall procedures are as follows:

- (i) Whole vegetables, prepacked vegetables and fresh-cut vegetables: We will collect the remaining stock from our customers and provide either a refund or replacement. For consumers who have already purchased the prepacked vegetables, we will provide a refund or a replacement if the product is returned to any of our customers' retail outlets or our retail store. For clarification purposes, our Group does not initiate the return of recalled fresh vegetables due to perishable nature of these products, making it impractical to return them back to the suppliers.
- (ii) F&B products and other groceries: We will collect the remaining stock from our customers and provide a full refund to our customers. For consumers who have already purchased the products, we will provide a refund or a replacement if the product is returned to any of our customers' retail outlets or our retail store.

Since the commencement of our wholesale distribution business, we have not experienced any recalls for our fresh vegetables, F&B products and other groceries. We would recall a product when there is substantiated that the consumption of finished products by the consumers would cause adverse health consequences and when the finished goods did not comply with our Company's food safety standard and specifications. During the Financial Years Under Review, we had encountered an incident where we experienced an under declaration of weight of fresh vegetables exported into Singapore and the excess amount of fresh vegetables were seized and disposed. Please refer to Section 6.22 of this Prospectus for further details on this incident.

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## 6. INFORMATION ON OUR GROUP (Cont'd)

### 6.6 WHOLESALE DISTRIBUTION

#### 6.6.1 Overview

We are mainly focused on the wholesale distribution of fresh vegetables in the following forms:

- **Whole fresh vegetables** where we do not carry out any value-added services. We purchase these whole vegetables in bulk and these are mainly supplied to wholesalers, retailers, food service operators and food manufacturers. We supply whole fresh vegetables in various forms of packaging including mesh bags, cardboard boxes, crates or foam boxes and sizes which ranges between four (4) kg to 13 kg.

#### Whole fresh vegetables in cardboard boxes and foam box



#### Whole fresh vegetables in mesh bags



- **Prepacked fresh vegetables** where we will carry out the individual packaging of the whole fresh vegetables into various retail packaging formats including mesh bags, plastic bags with or without perforation, clamshells or plastic trays with film and sizes which ranges between 50g to one (1) kg. These are mainly sold to retailers including supermarkets and minimarkets to facilitate the ease of display at their retail outlets. We also source prepacked fresh vegetables from our suppliers and this includes chillies, mushrooms, celeries and some leafy vegetables. Our purchase of prepacked fresh vegetables accounted for 4.04%, 6.39%, 6.01% and 14.50% of our total purchases during the Financial Years Under Review, respectively. The circumstances in which we source prepacked fresh vegetables from our suppliers is when our suppliers offer the prepacking services at no additional charges for a certain type of fresh vegetables that we need in large quantities for small retail packs. This allows us to fulfil our customers' orders effectively without adding more labour resources.



## 6. INFORMATION ON OUR GROUP (Cont'd)

### Prepacked fresh vegetables in various retail packaging



- **Fresh-cut vegetables** refer to fresh vegetables that have undergone processing such as washing, peeling or cutting and ready to be used by our customers. This is part of our value-added services to our customers and facilitate convenience and reduce preparation time. The vegetables are chopped, sliced, shredded or diced into the desired shapes, sizes and lengths based on our customers' requirements. These fresh-cut vegetables are mainly supplied to food service operators and wholesalers who resell these products to their customers.

### Fresh-cut vegetables in various cuts



All of our whole fresh vegetables and prepacked vegetables that are sourced from our suppliers are sold as is basis and do not carry out any value-added services. Nevertheless, our own prepacked and fresh-cut vegetables require additional processes before storage or delivery. Please refer to Section 6.6.2 of this Prospectus for further details of our value-added services.

In addition, we are involved in the wholesale distribution of F&B products and other groceries including, among others, packaged beverages, spices and seasonings, noodles, snack foods as well as personal care products.

**6. INFORMATION ON OUR GROUP (Cont'd)**

**6.6.2 Value-added services**

We process and pack all of our purchased vegetables at our Senai Centralised Distribution Centre in Johor. Our processing and packing areas are equipped with machinery and equipment to carry out washing, trimming, sorting, cutting or peeling, weighing and retail packaging of fresh vegetables before storage or delivery. We have chilled areas for storage, processing and packing to preserve the freshness of the vegetables.

**(i) Prepacked fresh vegetables**

We generally carry out the following tasks for prepacked fresh vegetables:

- sorting of fresh vegetables by size, shape, as well as removal of unwanted parts of the vegetables;
- trimming of bruised parts; and
- weighing and packing of the fresh vegetables into individual retail packs.

**Processing of prepacked fresh vegetables**



**Automated packaging process**



For clarification purposes, those prepacked fresh vegetables that are sourced from our suppliers, we do not carry out any value-added services.

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## 6. INFORMATION ON OUR GROUP (Cont'd)

### (ii) Fresh-cut vegetables

We generally carry out the following tasks for our fresh-cut vegetables:

- washing for certain vegetables such as turnip, potatoes and pumpkin to remove dirt and clean the fresh vegetables before the next process;
- peeling to remove the skin and this includes onions, shallots, potatoes, pumpkins and carrots;
- cutting involving chopping, slicing, shredding or dicing to reduce the size of vegetables into small serve-size shapes and portions based on customers' requirements;
- sorting to ensure uniformity of sizes, shapes, as well as the removal of bruised vegetables; and
- weighing and packaging the fresh-cut vegetables.

**Processing of fresh-cut vegetables**



### 6.6.3 Supporting infrastructure

#### Overview

Our wholesale distribution operations are supported by our distribution centres as well as transportation fleet as follows:

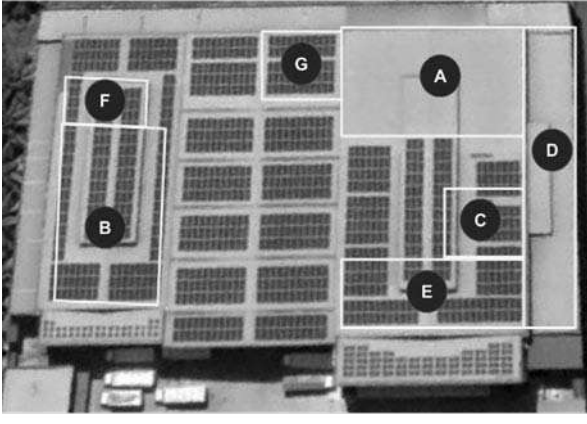
- Senai Centralised Distribution Centre in Johor comprising cold room facilities and ambient temperature storage, processing and packing facilities for fresh vegetables;
- a total of six (6) regional distribution centres as at LPD located in Johor, Selangor, Perak and Penang with ambient temperature storage and packing areas for F&B products and other groceries; and
- a fleet of 39 trucks including 14 refrigerated trucks and 25 other delivery trucks to transport fresh vegetables, F&B products and other groceries in Malaysia and Singapore.

**6. INFORMATION ON OUR GROUP (Cont'd)**

**Cold room facilities**

Our cold room facilities at our Senai Centralised Distribution Centre have a total floor space of 24,066 sq. ft. comprising chiller rooms for storage and dedicated chilled floor space for processing and packing as illustrated below:

**Layout of our operational facilities**



	<i>Floor space (sq. ft)</i>	<i>Temperature (°C)</i>
<b>Cold storage facilities</b>		
<b>A</b> Chiller 1, 2 and 3	6,650	0°C to 10°C
<b>B</b> Chiller 6, 7 and 8	5,406	-2°C to 0°C
<b>C</b> Chiller 4 and 5	1,500	0°C
<b>G</b> Loading and unloading bay	1,260	3°C
<b>Sub-total</b>	<b>14,816</b>	
<b>Cold processing areas</b>		
<b>D</b> Processing (P1, P2 and P3 HACCP certified)	4,500	10°C
<b>E</b> Packing	4,000	10°C
<b>F</b> Processing (P4 HACCP certified)	750	10°C
<b>Sub-total</b>	<b>9,250</b>	
<b>Total floor space</b>	<b>24,066</b>	

**Our chillers for storage**



**Our cold processing areas**



## 6. INFORMATION ON OUR GROUP (Cont'd)

### Our transportation fleet

- We have a fleet of 39 trucks including 14 refrigerated trucks and 25 other delivery trucks to transport fresh vegetables, F&B products and other groceries to customers in Malaysia and Singapore. As fresh vegetables are perishable items, our cold chain transportation is critical to preserve the freshness of vegetables by maintaining storage and transit temperatures between 0°C to 5°C to slow down the respiration or heat generated by the fresh vegetables.

Our fleet of trucks including refrigerated trucks



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**6. INFORMATION ON OUR GROUP (Cont'd)**

**6.6.4 Our products**

**(i) Fresh Vegetables**

As at the LPD, our fresh vegetables comprised approximately 980 SKUs of fresh vegetables of which comprises approximately 510 SKUs of whole fresh vegetables, approximately 320 SKUs of prepacked vegetables and approximately 150 SKUs of fresh-cut vegetables. We source our fresh vegetables from domestic and foreign growers and suppliers to meet our customers' requirements mainly in Johor and Singapore.

The followings are the main types of fresh vegetables that we supply and their respective source countries:

Vegetable type	Produce	Form			Main sources *	
		Whole	Prepacked	Fresh-cut	Malaysia	Foreign
Fruit	Chilli	√	√	√	√	Thailand
	Tomato	√	√	-	√	Thailand, Vietnam, Indonesia
	Cucumber	√	√	-	√	Thailand, Vietnam
Leafy	Cabbage	√	√	√	√	China, Indonesia, Vietnam
	Lettuce	√	√	√	√	China, Thailand, Vietnam
	Spinach	√	√	√	√	China, Thailand, Vietnam
Bulb	Onion	√	√	√	√	Vietnam, India, Thailand, China
	Garlic	√	√	√	√	China
	Spring onion	√	√	√	√	Vietnam, China, Thailand
Tuber	Potato	√	√	√	√	Vietnam, China
	Sweet potato	√	√	√	√	Indonesia, Vietnam
	Yam	√	√	√	√	Vietnam, Indonesia, Thailand, China
Flower	Broccoli	√	√	√	-	China, Vietnam
	Cauliflower	√	√	√	-	China
Seed	Beans	√	√	√	√	Thailand, Vietnam, Indonesia
	Sweet corn	√	√	-	√	Thailand, Vietnam
	Peas	√	-	-	√	China
Root	Carrot	√	√	√	√	China, Vietnam
	Turnip	√	√	√	√	Vietnam
	Radish	√	-	-	√	China, Vietnam
Stem	Celery	√	√	√	-	China
	Leek	√	√	√	√	China
	Asparagus	√	√	-	√	Thailand, Vietnam, China
Others	Mushroom	√	√	-	√	China
	Herbs	√	√	√	√	China, Thailand, Vietnam, Indonesia

**Note:**

\* Based on the purchases of fresh vegetables in FYE 2022 and FYE 2023.

**6. INFORMATION ON OUR GROUP (Cont'd)**

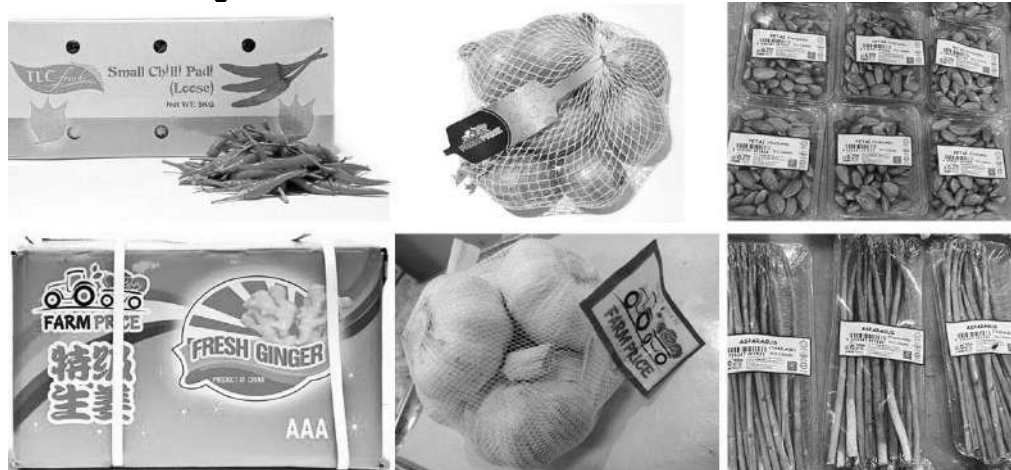
Our prepacked fresh vegetables including those that are sourced from our suppliers are mainly sold under our own brands namely “Farm Price” or “TLC Fresh” brands. We also prepacked fresh vegetables under our customers’ brand names. For the Financial Years Under Review, 12.09%, 11.66%, 11.33% and 9.01% of our total revenue for the FYE 2020, FYE 2021, FYE 2022 and FYE 2023 are contributed by our own brands, while 4.47%, 6.25%, 5.22% and 6.31% of our total revenue for FYE 2020, FYE 2021, FYE 2022 and FYE 2023 are contributed by third party brands.

The details of the revenue contribution for prepacked fresh vegetables which are segmented by our brands and third-party brands for the Financial Years Under Review are as follows:

	Audited FYE							
	2020		2021		2022		2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Prepacked fresh vegetables								
▪ Own brands	8,889	12.09	9,561	11.66	10,695	11.33	10,291	9.01
▪ Third-party brands	3,287	4.47	5,119	6.25	4,924	5.22	7,208	6.31
<b>Total</b>	<b>12,176</b>	<b>16.56</b>	<b>14,680</b>	<b>17.91</b>	<b>15,619</b>	<b>16.55</b>	<b>17,499</b>	<b>15.32</b>

Our fresh-cut vegetables are mainly sold without a brand which are mainly supplied to food service operators and wholesalers. A small proportion of the fresh-cut vegetables are sold under our own brand namely “Farm Price” and this accounted for less than 1.00% (approximately RM1,500), 1.06% (RM0.88 million), 1.10% (RM1.04 million) and 1.39% (RM1.59 million) of our total revenue for FYE 2020, FYE 2021, FYE 2022 and FYE 2023 respectively. We do not sell fresh-cut vegetables under third party brands.

**Fresh vegetables under our “Farm Price” and “TLC Fresh” brands**



**6. INFORMATION ON OUR GROUP (Cont'd)**

**(ii) F&B products and other groceries**

We are also involved in the wholesale distribution of F&B products and other groceries comprising, among others, packaged beverages, spices and seasonings, noodles, snack foods as well as personal care products. We mainly supply these F&B products and other groceries to retailers such as minimarkets in Peninsular Malaysia. As at the LPD, our F&B products and other groceries comprised approximately 320 SKUs, of which comprises eight (8) SKUs of own brand packaged beverages, 30 SKUs of third-party brand packaged beverages, 222 SKUs of other F&B products and 60 SKUs of other groceries.

Our F&B products and other groceries mainly comprised the following:

- Packaged beverages include energy and fruit drinks. These include energy drinks sold under our brands "FULL POWER Extra!" as well as fruit drinks under our brand "ARIOS".

**Our own brands of packaged beverages**



**Third-party brands of packaged beverages**





**6. INFORMATION ON OUR GROUP (Cont'd)**

- Fresh fruits such as limes, lemons and pineapples. These fruits are sourced from the domestic market in Malaysia as well as imported from China, Vietnam and Thailand. Our fresh fruits are mainly supplied to our customers in the form of whole fruits, while a small proportion are prepacked fresh fruits that are supplied to retailers.
- Other F&B products are mainly cooking ingredients including spices and seasonings, noodles, dry and preserved vegetables such as dried chilli, as well as snack foods.
- Other groceries mainly include personal care products such as hair care, bath and body and oral care.

As at the LPD, our brands and third-party brands of packaged beverages under our portfolio of products are as follows:

Packaged beverages	Own brands	Third-party brands
Energy drinks	FULL POWER Extra!	Speed
Fruit drinks and others	ARIOS	<ul style="list-style-type: none"> <li>▪ aafi</li> <li>▪ SUPER</li> <li>▪ Dixy</li> <li>▪ ROYAL</li> </ul>

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## 6. INFORMATION ON OUR GROUP (Cont'd)

### 6.7 RETAILING OPERATION

We are also involved in the retailing of fresh vegetables, F&B products and groceries where we operate a retail store at Puteri Mart in Ulu Tiram, Johor.

**Our retail outlet in Johor, Malaysia**



Products sold through our retail outlet comprise whole and prepacked fresh vegetables, fresh fruits, dry and preserved vegetables, packaged beverages and other groceries. Several of our retail fresh vegetables and F&B products are obtained from our wholesale distribution. As we retail a wide variety of F&B products and groceries, we also source products from third parties to provide a more comprehensive range of products to serve our retail customers.

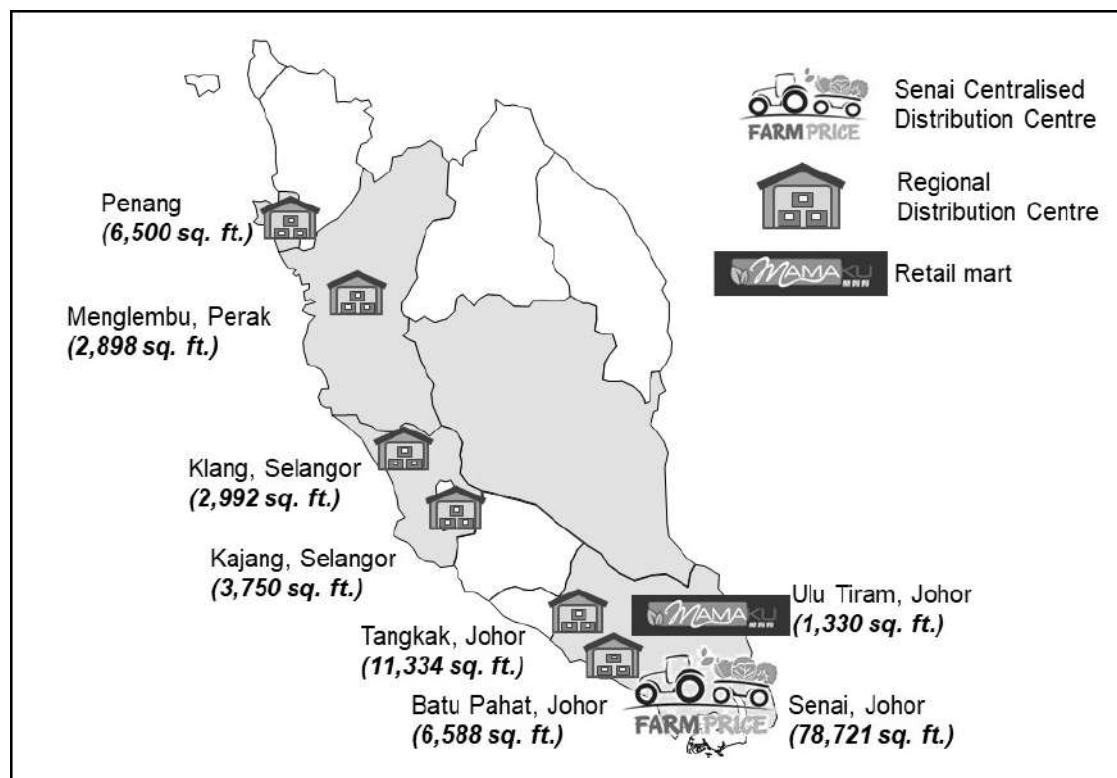
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**6. INFORMATION ON OUR GROUP (Cont'd)**

**6.8 OPERATIONAL FACILITIES**

We principally operate in Malaysia where our head office and the main operational facility are located in Senai, Johor. As at the LPD, we are supported by other regional distribution centres for F&B products and other groceries and the operation of a retail store as depicted below:

**Our operational facilities**



As at the LPD, the details of our operational facilities are as follows:

Company	Main functions	Status of premise	Year of commencement	Approximate built-up area (sq. ft.)	Address
Farm Price	Head office and centralised distribution centre <sup>(1)</sup>	Owned	2019	78,721	Lot 55358 Jalan Seelong Jaya 15 81400 Senai, Kulai, Johor
FP Foods	Distribution centre <sup>(2)</sup>	Owned	2016	2,992	No.20, Jalan Temenggung 37B/KS7 Taman Sejahtera 41200 Klang Selangor
	Distribution centre <sup>(2)</sup>	Rented	2016	3,750	No.18, Jalan SC 3 Pusat Perindustrian Sungai Chua 43000 Kajang, Selangor

**6. INFORMATION ON OUR GROUP (Cont'd)**

Company	Main functions	Status of premise	Year of commencement	Approximate built-up area (sq. ft.)	Address
FP Foods (Cont'd)	Distribution centre <sup>(2)</sup>	Owned	2016	11,334	No.35 & 37, Jalan Rivera Maharani Rivera 84000 Tangkak, Johor
	Distribution centre <sup>(2)</sup>	Rented	2016	2,898	No.24, Jalan Menglembu Impiana 32 I-Park Menglembu 31450 Ipoh, Perak
	Distribution centre <sup>(2)</sup>	Rented	2023	6,500	No. 4, Jalan Pala 12 Kaw Industri Ringan PTMG Tinggi 14100 Simpang Ampat, Penang
	Distribution centre <sup>(2)</sup>	Rented	2023	6,588	30 & 30A, Jalan Kencana 1A/24 Taman Pura Kencana 83300 Sri Gading Batu Pahat, Johor
Setia Kawan	Retail outlet <sup>(3)</sup>	Rented	2016	1,330	No. 56 & 58, Lot-W163, Puteri Mart, Jalan Beladau 17 Taman Puteri Wangsa 81800 Ulu Tiram, Johor

**Notes:**

- (1) Includes cold room facilities and ambient warehouse space.
- (2) Includes ambient warehouse space.
- (3) Includes cold room facility.

**6. INFORMATION ON OUR GROUP (Cont'd)****6.9 MAJOR MACHINERY AND EQUIPMENT**

As at 31 December 2023, the major machinery and equipment used for our business operations and its net carrying value are as follows:

	As at 31 December 2023		
	Number of units	* Average age (years)	Net carrying value (RM'000)
Cold room facilities	24,066 sq. ft.	4	2,728
Trucks	38	3	2,374
Packing machines	13	3	319
Vacuum precooling equipment	1	2	124
Labelling machines	2	2	75
Cutting machines	6	2	70
Peeling machines	6	3	75
Ice making machines	4	3	85
Dehydration machine	1	4	6
<b>TOTAL</b>			<b>5,856</b>

**Note:**

- \* The average useful lifespan of the cold room, major machinery, tools and equipment as well as motor vehicles is between five (5) to 10 years.

**6.10 MARKETING STRATEGIES AND ACTIVITIES**

Our marketing strategies and activities are focused on the following:

- We position ourselves as a wholesale distributor of a wide range of domestic and imported fresh vegetables to provide convenience to our customers in meeting their needs and requirements for fresh vegetables. As at the LPD, our range of fresh vegetables comprises approximately 980 SKUs including fruit, leafy, bulb, tuber, flower, seed, root and stem vegetables as well as other vegetables such as mushrooms and herbs.
- We provide value-added services where we pack fresh vegetables in retail packaging to facilitate ease of display at our customers' retail outlets. We also supply fresh-cut vegetables targeted at the food service sector which provides convenience to our customers who are mainly food service operators and wholesalers who resell these products to their customers. This strategy helps to enlarge our product range of fresh vegetables to attract more customers from the food services sector and wholesalers.
- We position ourselves as a wholesale distributor with centralised distribution centre in Johor supported by our six (6) regional distribution centres in various states including Johor (Tangkak and Batu Pahat), Selangor (Kajang and Klang), Perak (Menglembu) and Penang (Simpang Ampat). Our centralised distribution centre is equipped with cold room facilities to preserve the freshness of our produce. Our strategy for having these distribution centres is to enlarge our market coverage beyond our head office and centralised distribution centre in Johor Bahru.

**6. INFORMATION ON OUR GROUP (Cont'd)**

- We are currently serving Johor and Singapore market for fresh vegetables including whole, prepacked and fresh-cut vegetables. This will serve as a platform for us to continue the expansion of our business in Malaysia and Singapore.

As at the LPD, our sales and marketing activities are driven by our Managing Director, Dr. Tiong Lee Chian and he is supported by 14 personnel in the sales and marketing team.

**6.11 PRODUCTION CAPACITY, OUTPUT AND UTILISATION****(i) Storage of whole, prepacked and fresh-cut vegetables**

Our capacity and utilisation rate for the cold room facilities for storage for the Financial Years Under Review are as follows:

	<sup>(1)</sup> Storage floor space	<sup>(2)</sup> Available annual capacity	<sup>(3)</sup> Annual utilisation	<sup>(4)</sup> Utilisation rate
	(sq. ft.)	(no. pallets)	(no. pallets)	
FYE 2020	3,625	<sup>(5)</sup> 18,198	17,772	98%
FYE 2021	5,372	<sup>(6)</sup> 24,890	20,689	83%
FYE 2022	5,372	<sup>(7)</sup> 29,669	21,228	72%
FYE 2023	5,372	<sup>(7)</sup> 29,669	29,480	<sup>(8)</sup> 99%

**Notes:**

(1) Floor space dedicated to the storage of products in the following cold room facilities excluding walkway areas:

- FYE 2020: Storage facility A (Chiller 1, 2 and 3) and processing area P1;
- FYE 2021: Storage facility A (Chiller 1, 2 and 3), processing area P1 (up to May 2021) and Storage facility B (Chiller 6, 7 and 8 which started in June 2021); and
- FYE 2022 and FYE 2023: Storage facility A (Chiller 1, 2 and 3) and Storage facility B (Chiller 6, 7 and 8).

The above excluded the floor space for Chiller 4 and 5 as these areas are dedicated staging areas to handle daily orders of fresh vegetables to prepare for delivery. These areas are not used for storage purposes.

(2) Available annual capacity is calculated based on the total number of pallet space available from the racking system installed in our cold room facilities.

(3) Annual utilisation is based on the number of pallets filled during the year.

(4) Utilisation rate is derived by dividing the annual utilisation by the available annual capacity.

(5) For FYE 2020, the available annual capacity comprises the storage space for Storage facility A (Chiller 1, 2 and 3) and processing area P1.

(6) For FYE 2021, the available annual capacity comprises the storage space for Storage facility A (Chiller 1, 2 and 3), five (5)-month pro-rated capacity for processing area P1 as well as the seven (7)-month pro-rated capacity for Storage facility B (Chiller 6, 7 and 8). We used the processing area P1 for storage of products until May 2021 when the construction of Storage facility B (Chiller 6, 7 and 8) was completed. Subsequent to that, the processing area P1 was converted to processing and packing space.

(7) For FYE 2022 and FYE 2023, the available annual capacity comprises the storage space for Storage facility A (Chiller 1, 2 and 3) and Storage facility B (Chiller 6, 7 and 8).

**6. INFORMATION ON OUR GROUP (Cont'd)**

(8) *As at the LPD, our business operations have not been affected by the limitation. In the event of any surge in the need for storage space when our existing storage space is full, we will implement the following storage management measures:*

- *we run extra processing shift and also facilitate additional delivery trips to free-up storage space for incoming stocks; or*
- *create additional temporary storage space by renting on-site mobile refrigerated containers for fresh vegetable storage. This option will be selected based on as need basis. This type of facility is equipped with refrigeration units which enable us to maintain the optimal temperature for fresh vegetable storage and it also secured with lockable doors. We have the space to park the mobile refrigerated containers within our compound.*

*Furthermore, we can also secure additional storage space from third-party warehousing operators for short-term basis up to one (1) year, if need arises.*

*Our Group's business operations and growth will not be materially affected by the limitation in view that our Group will implement the above storage management measures to continue our business operations, if the need arises. In addition, our additional operational building at Senai Centralised Distribution Centre including cold room and related facilities is expected to commence operations by Q1 2026. Please refer to Section 6.20 of this Prospectus for further details on our business strategies and plans.*

We are primarily a wholesale distributor of fresh vegetables and the revenue from the wholesale distribution of fresh vegetables accounted for 79.87%, 81.66%, 82.50% and 77.61% of our total revenue for the FYE 2020, FYE 2021, FYE 2022 and FYE 2023 respectively. The cold room facilities are included for the production capacity and utilisation as these facilities are mainly used for storage of our fresh vegetables.

The ambient temperature area is an open space comprising storage areas for F&B products and other groceries, staging areas for our forklifts as well as working areas for packing and preparation works for delivery. In view of this, the production capacity and utilisation of ambient temperature storage space are not included. Furthermore, the storage floor space for the ambient temperature area at our existing building is small at approximately 600 sq. ft. (excluding walkway areas) as at the LPD.

**(ii) Value-added services**

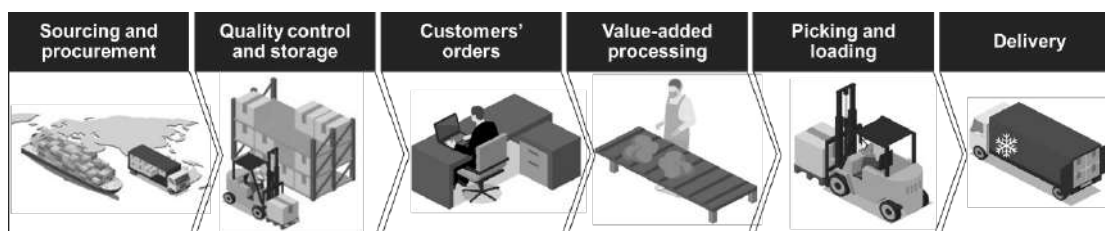
We provide value-added services for prepacked and fresh-cut vegetables which generally involves various processes such as washing, peeling, cutting, sorting and packaging. The value-added services for fresh vegetables mainly involve manual processing as well as using machines. In this respect, the capacity for the processing of fresh vegetables is not meaningful as we are able to increase our manpower and extend our working hours if required. As at the LPD, we are currently operating one (1) 12-hour shift per day and we are able to increase our manpower if need arises to meet the increased orders. The prepacked and fresh-cut vegetables that we have processed during the Financial Years Under Review are as follows:

	<b>FYE 2020</b>	<b>FYE 2021</b>	<b>FYE 2022</b>	<b>FYE 2023</b>
	<b>(tonnes)</b>	<b>(tonnes)</b>	<b>(tonnes)</b>	<b>(tonnes)</b>
Prepacked and fresh-cut vegetables	1,141	1,603	1,819	2,376

## 6. INFORMATION ON OUR GROUP (Cont'd)

### 6.12 BUSINESS FLOW

#### 6.12.1 Wholesale distribution



#### Sourcing and procurement

Our wholesale distribution begins with the sourcing and procurement of fresh vegetables, F&B products including packaged beverages, food products and other groceries from the domestic market in Malaysia as well as foreign countries. We place orders directly with the fresh vegetable growers or suppliers and the products are shipped or delivered to our Senai Centralised Distribution Centre. For fresh vegetables that we source from Malaysia, we place orders daily and these are delivered within the day.

For fresh vegetables that we source from foreign countries, we generally place orders on a daily or weekly basis. For our F&B products such as packaged beverages, these are sourced from foreign countries, we generally place orders once a week and the products are then shipped or delivered to our Senai Centralised Distribution Centre and subsequently to be distributed to other regional distribution centres. The order frequency for F&B products of once a week is due to the constraints in storage space for ambient temperature storage area at our Senai Centralised Distribution Centre. Meanwhile for other groceries and food products, we commonly place orders once a month or on an as need basis depending on type of products. For imported goods delivered via sea freight, deliveries take approximately seven (7) days to 21 days (depending on the sourcing country), while those from Southern Thailand are commonly transported via lorries and deliveries take approximately three (3) days.

Some of the consideration factors to determine the types of vegetables and quantities required to be replenished includes the following:

- historical sales data where we have sales data by types of vegetables over time which enable us to identify the patterns or seasonal variations or trends in demand for planning purposes;
- customer preference and feedback mechanism where we liaise with our customers on the regular basis based on their previous orders including ad-hoc large volume orders for our planning;
- our regular liaison with suppliers who commonly provide market information such as crop availability, quality and potential price fluctuations for our reference; and
- maintain a buffer stock of certain vegetables to account for unexpected increases in demand or new customers secured.

In view of the above, this will enable us to facilitate the sourcing and procurement planning on the type and quantity of fresh vegetables to replenish to meet the needs of our customers efficiently.



## 6. INFORMATION ON OUR GROUP (Cont'd)

Our Group's selection criteria for suppliers includes, among others, the followings:

- (i) quality of products and source of supplies takes into consideration customers' feedback and visual inspection;
- (ii) pricing and payment terms takes into account competitive pricing and sourcing from various suppliers;
- (iii) suppliers' reliability and reputation in terms of assurance of supply for us to fulfil the delivery to our customers on a regular basis; and
- (iv) certification and accreditation as well as customer service such as certification of food safety management system, ISO 22000 or HACCP certifications.

### Quality control and storage

Once the fresh vegetables and other products are received at our distribution centres, we will conduct a general inspection including quantity checks using a scale to ensure that the incoming products received tally with the orders placed as well as quality checks including visual checking to ensure the products are of merchantable quality and have not been damaged or compromised while in transit to our distribution centres.

Once the goods are received, we will sort out the fresh vegetables that have defects such as bruising and blemishes which will be removed. For certain leafy vegetables that are sourced from domestic suppliers located within the vicinity of our premises, we will carry out the precooling process to extend the shelf life and maintain the freshness of the vegetables where the fresh vegetables will be placed in a chamber for the precooling process. The precooling process removes the heat from the freshly harvested vegetables prior to the storage of the fresh vegetables. All incoming products are then stored in the appropriate sections of the distribution centre, either in the cold room for fresh vegetables or an ambient temperature storage area for non-perishable items. Each batch of the incoming products is tagged with the date of receipt to ensure first-in-first-out inventory rotation.

**Placing the freshly harvested vegetables in the precooling chamber**



As part of our quality control, our Group started carrying out voluntary random sampling of our fresh vegetables, commonly with a sample size of five (5) SKUs every six (6) months, from different suppliers to external independent laboratories to test the presence of prohibited pesticide residue and the levels of pesticide residue or toxic chemical residue contained in the vegetables. Our Group's selection criteria for suppliers includes, among others, quality of products and source of supplies, pricing and payment terms, suppliers' reliability and reputation, certification and accreditation as well as customer service. Further, we also engage in periodic visits to the farms of local growers for ongoing support, monitoring and providing local growers with guidance on the pesticide application where we visit them two (2) to three (3) times per year. Whilst for the foreign suppliers, our Group has been conducting site visits to the suppliers' site from time to time where we commonly visit them once a year.

In addition, for compliance measures, we also send samples of our minimally processed vegetables being our fresh-cut vegetables to independent laboratories that are recognised by the SFA for testing.

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**6. INFORMATION ON OUR GROUP (Cont'd)**

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**Customers' orders**

Upon receiving the purchase orders including orders based on verbal communications, our team will generate the sales orders, delivery orders as well invoices. Our customers commonly place their orders either on a daily basis, every two (2) to three (3) days or on a weekly basis for fresh vegetables.

While for other F&B products and groceries, our customers commonly place their orders as and when it is needed.

**Value-added processing for prepacked and fresh-cut vegetables****(i) Prepacked fresh vegetables**

For prepacked vegetables, the fresh vegetables will first be sorted to ensure uniformity of size and shape, followed by trimming of unwanted parts as well as discarding defective part of the vegetables. The fresh produce is then weighed and packed, either automatically through the packing line or manually. Our packaging includes individual retail packs commonly in mesh bags, plastic bags with or without perforation, clamshells or plastic trays with film.

**(ii) Fresh-cut vegetables**

Fresh-cut processing involves the preparation of the vegetables and this process varies depending on the type of vegetables and the customers' requirements. Generally, it involves various processes such as washing, peeling, cutting, sorting and packaging.

**Washing**

The process begins with the washing of vegetables for certain vegetables such as turnip, potatoes and pumpkin to remove dirt and clean the fresh vegetables before the next process.

**Peeling**

The bulb vegetables such as garlic, onions, shallots, and tuber vegetables such as potatoes, as well as root vegetables such as carrots will go through the peeling process using peeling machines or manual peeling.

**Cutting and sorting**

The vegetables are then chopped, sliced, shredded or diced into the desired shapes, sizes and lengths based on our customers' requirements. The cutting process is either done automatically using cutting machines or manually using knives. The defective vegetables will be discarded as they will hasten spoilage and decrease the shelf life of surrounding vegetables. The cut vegetables are then sorted according to their size and shape to ensure uniformity.

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**6. INFORMATION ON OUR GROUP (Cont'd)**

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**Packaging**

The fresh-cut vegetables are weighed and packed, either automatically through the packing line or manually. Our packaging for fresh-cut vegetables is commonly packed between one (1) kg to three (3) kg plastic bags. As part of our quality checking, all packed vegetables will then go through a metal detector to check for any metal contaminants from the processing machines such as peeling and cutting machines or handling equipment or aluminium materials used for the packaging materials. Following that, the packed vegetables will be packed into boxes and labelled with the date of manufacture or use-by date, as well as the production code to allow for first-in-first-out rotation and traceability in case of any product recall. As at the LPD, we have a team of seven (7) personnel which is led by Nurul Fatina binti Zakaria, our Quality Assurance and Compliance Manager, and she is assisted by a compliance officer (who is also responsible for the administrative task in relation to the Quality Assurance) and five (5) operation employees. The abovementioned team is involved in the quality control to carry out visual inspection and weight checking on the products.

**Picking and loading**

Our packing team will then pick out the products ordered by customers at the cold storage facilities based on the itemised sales order generated. The picked products will be placed on pallets and subsequently loaded onto trucks for transportation to customers' premises.

**Delivery**

We have our fleet of refrigerated trucks to deliver to our customers' premises in Johor, Malaysia as well as Singapore. Generally, the orders are delivered to our customers within one (1) to two (2) days of receipt of their orders.

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**6. INFORMATION ON OUR GROUP (Cont'd)****6.13 TYPES AND SOURCES OF INPUT MATERIALS**

The following are the major types of fresh vegetables and finished goods that we purchased for our business operations for the Financial Years Under Review:

	FYE 2020		FYE 2021		FYE 2022		FYE 2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
<b>Fresh vegetables</b>	<b>46,816</b>	<b>83.28</b>	<b>56,605</b>	<b>86.31</b>	<b>62,455</b>	<b>85.07</b>	<b>69,581</b>	<b>80.22</b>
Bulb vegetables	3,804	6.77	5,813	8.86	7,297	9.94	9,232	10.65
Flower vegetables	1,941	3.45	2,913	4.44	2,850	3.88	2,901	3.34
Fruit vegetables	16,809	29.90	20,722	31.60	24,264	33.05	25,495	29.40
Leafy vegetables	9,294	16.53	11,209	17.09	11,089	15.10	9,429	10.87
Herbs	4,527	8.05	3,309	5.05	2,750	3.75	6,245	7.20
Mushrooms	807	1.44	1,462	2.23	1,465	2.00	1,877	2.16
Root vegetables	2,825	5.03	3,260	4.97	3,183	4.34	3,080	3.55
Seed vegetables	2,560	4.55	2,970	4.53	3,439	4.68	3,729	4.30
Stem vegetables	578	1.03	802	1.22	843	1.15	807	0.93
Tuber vegetables	3,671	6.53	4,145	6.32	5,275	7.18	6,786	7.82
<b>F&amp;B products and other groceries</b>	<b>9,395</b>	<b>16.72</b>	<b>8,982</b>	<b>13.69</b>	<b>10,959</b>	<b>14.93</b>	<b>17,153</b>	<b>19.78</b>
Packaged beverages	5,143	9.15	5,374	8.19	6,681	9.10	9,446	10.89
Other products	4,252	7.57	3,608	5.50	4,278	5.83	7,707	8.89
<b>TOTAL PURCHASES OF FRESH VEGETABLES AND FINISHED GOODS</b>	<b>56,211</b>	<b>100.00</b>	<b>65,587</b>	<b>100.00</b>	<b>73,414</b>	<b>100.00</b>	<b>86,734</b>	<b>100.00</b>

As we are principally involved in the wholesale distribution of fresh vegetables, our purchases of fresh vegetables represented the largest proportion of our total purchases which accounted for 83.28%, 86.31%, 85.07% and 80.22% of our total purchases of fresh vegetables and finished goods in FYE 2020, FYE 2021, FYE 2022 and FYE 2023 respectively. We sourced our fresh vegetables from domestic market in Malaysia as well as imports. Of the total purchases of fresh vegetables, domestically sourced fresh vegetables accounted for 26.70%, 23.43%, 22.79% and 18.15%, while imported fresh vegetables accounted for 73.30%, 76.57%, 77.21% and 81.85% of our total purchases of fresh vegetables in FYE 2020, FYE 2021, FYE 2022 and FYE 2023, respectively.

This is followed by purchases of F&B products and other groceries including the following:

- packaged beverages including energy and fruit drinks which accounted for 9.15%, 8.19%, 9.10% and 10.89% of our total purchases of fresh vegetables and finished goods in FYE 2020, FYE 2021, FYE 2022 and FYE 2023, respectively; and
- other F&B products including spices and seasonings, noodles and snack foods, as well as other groceries including personal care products, which accounted for 7.57%, 5.50%, 5.83% and 8.89% of our total purchases of fresh vegetables and finished goods in FYE 2020, FYE 2021, FYE 2022 and FYE 2023, respectively.

Of the total purchases of F&B products and other groceries, domestically sourced products accounted for 16.05%, 23.00%, 18.22% and 12.34%, while imported products accounted for 83.95%, 77.00%, 81.78% and 87.66% of our total purchases of F&B products and other groceries in FYE 2020, FYE 2021, FYE 2022 and FYE 2023, respectively.

**6. INFORMATION ON OUR GROUP (Cont'd)**

Our purchases of input materials by countries for the Financial Years Under Review is summarised in the following table:

	Audited FYE							
	2020		2021		2022		2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
<b>Malaysia</b>	<b>14,008</b>	<b>24.92</b>	<b>15,326</b>	<b>23.37</b>	<b>16,231</b>	<b>22.11</b>	<b>14,748</b>	<b>17.00</b>
<b>Other countries</b>	<b>42,203</b>	<b>75.08</b>	<b>50,261</b>	<b>76.63</b>	<b>57,183</b>	<b>77.89</b>	<b>71,986</b>	<b>83.00</b>
▪ Thailand	6,999	12.45	17,145	26.14	20,360	27.73	19,399	22.37
▪ China	12,917	22.98	17,196	26.22	17,805	24.25	24,935	28.75
▪ Vietnam	9,236	16.43	3,683	5.62	5,322	7.25	7,640	8.81
▪ Bangladesh	3,342	5.95	4,022	6.13	5,018	6.84	7,325	8.44
▪ Others <sup>(1)</sup>	4,200	7.47	2,401	3.66	4,483	6.11	9,021	10.40
▪ Imported stockist <sup>(2)</sup>	5,509	9.80	5,814	8.86	4,195	5.71	3,666	4.23
<b>TOTAL PURCHASES OF FRESH VEGETABLES AND FINISHED GOODS</b>	<b>56,211</b>	<b>100.00</b>	<b>65,587</b>	<b>100.00</b>	<b>73,414</b>	<b>100.00</b>	<b>86,734</b>	<b>100.00</b>

**Notes:**

- (1) Others include Indonesia, India, Nepal and Pakistan.
- (2) Refers to purchases from stockists in Malaysia who mainly supply products that are sourced from other countries. Notwithstanding the above, we are unable to ascertain the country of origin of the products supplied by stockists.

The prices of fresh vegetables are subject to fluctuations as a result of supply and demand conditions, as well as other factors which includes among others, weather conditions, cost of fertilisers, pesticides, availability of labour and transportation.

During the COVID-19 pandemic condition in 2020, we have experienced fluctuations in the prices for the purchase of fresh vegetables at the highest quarterly average of RM3.43/kg in Q2 2020 and the lowest quarterly average purchase price of RM2.86/kg in Q4 2020.

In addition, there were rising vegetable prices during the COVID-19 pandemic period due to, among others, an increase in demand for food at home during the COVID-19 pandemic, supply disruptions caused by shortages of labour during harvesting arising from the hiring freeze on foreign labour between 2020 and 2022 (*Source: IMR Report*). This was also reflected in our average quarterly purchase prices of fresh vegetables which increased by 24.79% at RM3.57/kg in Q4 2021 compared to RM2.86/kg in Q4 2020. While in Q4 2022, our average quarterly purchase prices of fresh vegetables were slightly lower at RM3.52/kg in Q4 2022 compared to RM3.57/kg in Q4 2021 contributed by lower average purchase prices of certain fresh vegetables during Q4 2022.

Generally, we pass on the increases in the prices of fresh vegetables to our customers to a certain extent, with the exception of Compass (with a contracted fixed price in the Supply Agreement (as defined herein)). We revise the pricing on a daily or periodical basis where the selling price is commonly confirmed based on the purchase orders received from our customers. Although our Group revises the pricing of fresh vegetables on a daily or periodical basis depending on the type of fresh vegetables, there is no assurance that we are able to pass on any of the price increases to the customers promptly. In the event we are unable to do so, our financial performance will be adversely affected. Please refer to Section 8 of this Prospectus for further details on the risk relating to the fluctuations in prices.

**6. INFORMATION ON OUR GROUP (Cont'd)**

**6.14 MAJOR CUSTOMERS**

Our top five (5) major customers and their contribution to our revenue for the FYE 2020, FYE 2021, FYE 2022 and FYE 2023 are as follows:

Top five (5) major customers for the FYE 2020	Type of customer	Main product provided	Revenue RM'000	% of total revenue	Length of business relationship (years) <sup>(1)</sup>
Farm Direct 4U (S) Pte Ltd	Wholesaler	Fresh vegetables	5,784	7.86	Six (6)
Yong Kah Packaging Industries Sdn Bhd	Wholesaler	Fresh vegetables	3,348	4.55	Three (3)
Compass <sup>(2)</sup>	Food service operator	Fresh vegetables	3,035	4.13	Five (5)
Pembekal Sayur-Sayuran Kipmart Masai (RRL)	Retailer and wholesaler	Fresh vegetables	2,351	3.20	Three (3)
Pasar Borong Kota Tinggi	Wholesaler	Fresh vegetables	2,336	3.18	Less than one (1)
<b>Sub-total</b>			<b>16,854</b>	<b>22.92</b>	
<b>Total revenue</b>			<b>73,540</b>		

Top five (5) major customers for the FYE 2021	Type of customer	Main product provided	Revenue RM'000	% of total revenue	Length of business relationship (years) <sup>(1)</sup>
Farm Direct 4U (S) Pte Ltd	Wholesaler	Fresh vegetables	7,519	9.17	Seven (7)
Compass <sup>(2)</sup>	Food service operator	Fresh vegetables	3,027	3.69	Six (6)
Yong Kah Packaging Industries Sdn Bhd	Wholesaler	Fresh vegetables	2,613	3.19	Four (4)
Songmart Group <sup>(3)</sup>	Retailer	Fresh vegetables	2,368	2.89	Five (5)
Honsen Food & Vegetables (Johor) Sdn.Bhd	Wholesaler	Fresh vegetables	2,311	2.82	Eight (8)
<b>Sub-total</b>			<b>17,838</b>	<b>21.76</b>	
<b>Total revenue</b>			<b>81,966</b>		

Top five (5) major customers for the FYE 2022	Type of customer	Main product provided	Revenue RM'000	% of total revenue	Length of business relationship (years) <sup>(1)</sup>
Farm Direct 4U (S) Pte Ltd	Wholesaler	Fresh vegetables	8,287	8.78	Eight (8)
Compass <sup>(2)</sup>	Food service operator	Fresh vegetables	3,818	4.05	Seven (7)
Songmart Group <sup>(4)</sup>	Retailer	Fresh vegetables	3,443	3.65	Six (6)
TF Vegetables	Wholesaler	Fresh vegetables	3,276	3.47	Five (5)
LTE Vegetables	Wholesaler	Fresh vegetables	3,162	3.35	Two (2)
<b>Sub-total</b>			<b>21,986</b>	<b>23.30</b>	
<b>Total revenue</b>			<b>94,376</b>		

**6. INFORMATION ON OUR GROUP (Cont'd)**

Top five (5) major customers for the FYE 2023	Type of customer	Main product provided	Revenue RM'000	% of total revenue	Length of business relationship (years) <sup>(1)</sup>
TF Vegetables	Wholesaler	Fresh vegetables	6,191	5.42	Six (6)
LTE Vegetables	Wholesaler	Fresh vegetables	4,597	4.03	Three (3)
Compass <sup>(2)</sup>	Food service operator	Fresh vegetables	4,503	3.94	Eight (8)
Farm Direct 4U (S) Pte Ltd	Wholesaler	Fresh vegetables	4,333	3.79	Nine (9)
Nyuk Sheng Plantation Sdn Bhd	Wholesaler	Fresh vegetables	3,268	2.86	One (1)
<b>Sub-total</b>			<b>22,892</b>	<b>20.04</b>	
<b>Total revenue</b>			<b>114,199</b>		

**Notes:**

- (1) Length of relationship as at the respective financial year.
- (2) Compass is a subsidiary of Compass Group PLC, a company listed on the London Stock Exchange and is involved in the provision of food services. As at the LPD, we have a subsisting agreement with Compass which fixes the selling price for the supply of fresh vegetables to Compass, which is renewed on a yearly basis ("**Supply Agreement**"). The selling price for the supply of fresh vegetables is revised upon the renewal of the Supply Agreement.
- (3) Songmart Group comprises Songmart Malaysia, Songmart Cash & Carry Sdn Bhd, Pasaraya Songmart (Kota Tinggi) Sdn Bhd, Pasaraya Songmart (Chellam) Sdn Bhd, Pasaraya Songmart (Kluang) Sdn Bhd, Pasaraya Songmart (Pulai Perdana 2) Sdn Bhd, Pasaraya Songmart Bandar Tenggara Sdn Bhd and Pasaraya Songmart (Sri Stulang) Sdn Bhd. Mercurius Capital is the sole shareholder of Songmart Holdings as at the LPD.
- (4) Comprises Songmart Malaysia and Granville Grocery. Songmart Malaysia is one (1) of our Group's major customers for the FYE 2022 as it was the business practice of Songmart Malaysia for all orders made by the respective subsidiaries within the Songmart Group was billed under Songmart Malaysia notwithstanding that the products were supplied to respective subsidiaries within the Songmart Group. For information purposes, Granville Grocery is a wholly-owned subsidiary of Songmart Holdings whereby the billing was issued directly to Granville Grocery for all the orders made.

On 31 May 2023, Farm Price had filed a statement of claim against Songmart Malaysia claiming for an outstanding sum of RM825,588.20 owing by Songmart Malaysia to Farm Price as at 28 February 2023. We have since discontinued our legal action against Songmart Malaysia and have submitted our proof of debt to the appointed liquidator in order to establish our claim for the outstanding sum payable by Songmart Malaysia to Farm Price. On 2 June 2023, Farm Price had also filed a statement of claim against Granville Grocery claiming for an outstanding sum of RM54,042.74 owing by Granville Grocery to Farm Price as at 28 February 2023. On 1 February 2024, we received summary judgement in favour of Farm Price in respect of our legal action against Granville Grocery. Please refer to Section 13.6 of this Prospectus for further details on these claims.

On 27 July 2023, Mercurius Capital had announced that its wholly-owned subsidiaries comprising Songmart Malaysia had, ceased all of its business operations on 30 June 2023. Songmart Holdings and Songmart Malaysia have since been served with winding-up petitions by some of its creditors between June 2023 to July 2023. Pursuant to a winding-up petition heard before the High Court of Malaya on 7 August 2023, the High Court of Malaya had ruled that Songmart Malaysia is to be subject to a compulsory winding-up. As at 18 August 2023, Mercurius Capital announced that it had on the even date, received copies of the orders of court for, among others, (a) for Songmart Holdings and its related companies to be wound up under the provisions of the Act; and (b) a liquidator has been appointed over Songmart Holdings assets that are involved in the winding-up. As at the LPD, the liquidation process is still ongoing.

**6. INFORMATION ON OUR GROUP (Cont'd)**

*Our Company had, during the FYE 2022 impaired an amount of approximately RM0.72 million, being the outstanding amount owing by Songmart Malaysia for the FYE 2022 of RM0.89 million and after taking into account the subsequent collection up to 28 June 2023 of approximately RM0.17 million. The remaining outstanding amount owing by Songmart Malaysia, Pasaraya Songmart (Kluang) Sdn Bhd and Granville Grocery of RM0.18 million arises from the transactions occurred in the FYE 2023 has been fully impaired as at the LPD.*

Our business is not dependent on any of our major customers as none of the top five (5) customers contributed 10% or more of our total revenue for each of the Financial Year Under Review. For the Financial Years Under Review, we served approximately 1,000, 920, 800 and 980 active customers for FYE 2020, FYE 2021, FYE 2022 and FYE 2023, respectively. The reduction in the number of active customers were retailers such as mini markets and grocery stores as well as food service operators. This may be due to, among others, the closure of some of the retailers and food service operators as a result of the COVID-19 pandemic as well as loss of customers due to competition from other operators. Despite the decrease in the number of active customers, our revenue grew by RM8.43 million or 11.46% from RM73.54 million in FYE 2020 to RM81.97 million in FYE 2021 and continued to improve by RM12.41 million or 15.14% to RM94.38 million in FYE 2022. Our revenue further improved to RM114.20 million in FYE 2023.

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**6. INFORMATION ON OUR GROUP (Cont'd)**

**6.15 MAJOR SUPPLIERS**

Our top five (5) major suppliers and their contribution to our purchases for the FYE 2020, FYE 2021, FYE 2022 and FYE 2023 are as follows:

Top five (5) major suppliers for the FYE 2020	Country	Type of supplier	Main type of products purchased	Purchases (RM'000)	% of total purchases	Length of business relationship (years) <sup>(1)</sup>
Cong Ty TNHH Dr Fresh	Vietnam	Distributor	Fresh vegetables	7,402	13.17	Three (3)
Taifeng Group <sup>(2)</sup>	China and Hong Kong	Distributor	Fresh vegetables	6,522	11.60	Five (5)
Justgreen Agriculture Products Co., Ltd	Thailand	Distributor and grower	Fresh vegetables	4,400	7.83	One (1)
Shenzhen Ju Guang Fa Industrial Co., Ltd	China	Distributor	Fresh vegetables	2,330	4.15	Two (2)
Premier Fresh Co., Ltd.	Thailand	Distributor	Fresh vegetables	2,225	3.96	13
<b>Sub-total</b>				<b>22,879</b>	<b>40.71</b>	
<b>Total purchases</b>				<b>56,211</b>		

Top five (5) major suppliers for the FYE 2021	Country	Type of supplier	Main type of products purchased	Purchases (RM'000)	% of total purchases	Length of business relationship (years) <sup>(1)</sup>
Justgreen Agriculture Products Co., Ltd	Thailand	Distributor and grower	Fresh vegetables	14,017	21.37	Two (2)
Taifeng Group <sup>(2)</sup>	China and Hong Kong	Distributor	Fresh vegetables	7,789	11.88	Six (6)
Shenzhen Ju Guang Fa Industrial Co., Ltd	China	Distributor	Fresh vegetables	4,998	7.62	Three (3)
Premier Fresh Co., Ltd.	Thailand	Distributor	Fresh vegetables	2,348	3.58	14
Akij Food & Beverage Ltd.	Bangladesh	Manufacturer	Packaged beverages <sup>(3)</sup>	2,198	3.35	Five (5)
<b>Sub-total</b>				<b>31,350</b>	<b>47.80</b>	
<b>Total purchases</b>				<b>65,587</b>		

Top five (5) major suppliers for the FYE 2022	Country	Type of supplier	Main type of products purchased	Purchases (RM'000)	% of total purchases	Length of business relationship (years) <sup>(1)</sup>
Justgreen Agriculture Products Co., Ltd	Thailand	Distributor and grower	Fresh vegetables	16,083	21.91	Three (3)
Kemuncak Abadi Sdn Bhd	Malaysia	Distributor	Packaged beverages <sup>(4)</sup>	7,304	9.95	One (1)
Taifeng Group <sup>(2)</sup>	China and Hong Kong	Distributor	Fresh vegetables	7,233	9.85	Seven (7)
Shenzhen Ju Guang Fa Industrial Co., Ltd	China	Distributor	Fresh vegetables	5,170	7.04	Four (4)
Premier Fresh Co., Ltd.	Thailand	Distributor	Fresh vegetables	3,308	4.51	15
<b>Sub-total</b>				<b>39,098</b>	<b>53.26</b>	
<b>Total purchases</b>				<b>73,414</b>		

**6. INFORMATION ON OUR GROUP (Cont'd)**

Top five (5) major suppliers for the FYE 2023	Country	Type of supplier	Main type of products purchased	Purchases (RM'000)	% of total purchases	Length of business relationship (years) <sup>(1)</sup>
Justgreen Agriculture Products Co., Ltd	Thailand	Distributor and grower	Fresh vegetables	15,421	17.78	Four (4)
Taifeng Group <sup>(2)</sup>	China and Hong Kong	Distributor	Fresh vegetables	13,697	15.79	Eight (8)
Kemuncak Abadi Sdn Bhd	Malaysia	Distributor	Packaged beverages <sup>(4)</sup>	12,595	14.52	Two (2)
Cong Ty TNHH Dr Fresh	Vietnam	Distributor	Fresh vegetables	4,855	5.60	Six (6)
Premier Fresh Co., Ltd.	Thailand	Distributor	Fresh vegetables	3,481	4.01	16
<b>Sub-total</b>				<b>50,049</b>	<b>57.70</b>	
<b>Total purchases</b>				<b>86,734</b>		

**Notes:**

- (1) Length of relationship as at the respective financial year.
- (2) Taifeng Group comprises Laiwu Taifeng Foods Co., Ltd, Shandong Taifeng Foods Co., Ltd and Taifeng International (HK) Co., Limited, all of which have common directors and shareholders.
- (3) Mainly third-party brands of packaged beverages including Speed brand of isotonic beverages and aafi brand of fruit drinks. We sourced packaged beverage from Akij Food & Beverage Ltd, a foreign supplier from Bangladesh to cater for the demand of end-consumers mainly foreign workers.
- (4) Mainly third-party brands of packaged beverages including Speed brand of isotonic beverages, as well as own brands of packaged beverages including FULL POWER Extra! brand of energy drinks and ARIOS brand of fruit drinks.

During the Financial Years Under Review, the following suppliers contributed more than 10% of our total purchases of fresh vegetables and finished goods:

- Cong Ty TNHH Dr Fresh, based in Vietnam, where we purchased fresh vegetables mainly chillies, capsicum, yam, carrots, lemongrass and tomatoes which accounted for 13.17% and 5.60% of our total purchases of fresh vegetables and finished goods for FYE 2020 and FYE 2023. We are not dependent on Cong Ty TNHH Dr Fresh as we also sourced similar type of fresh vegetables from other suppliers domestically in Malaysia as well as imports from Vietnam and other foreign countries.
- Taifeng Group comprises Laiwu Taifeng Foods Co., Ltd and Shandong Taifeng Foods Co., Ltd based in China as well as Taifeng International (HK) Co., Limited based in Hong Kong. Our Group purchased fresh vegetables comprising mainly ginger, garlic carrots and onions which accounted for 11.60%, 11.88%, 9.85% and 15.79% of our Group's total purchases of fresh vegetables and finished goods for the FYE 2020, FYE 2021, FYE 2022 and FYE 2023, respectively. Notwithstanding the above, our Group is not dependent on Taifeng Group as we also sourced similar types of fresh vegetables from other suppliers in China and other foreign countries.

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**6. INFORMATION ON OUR GROUP (Cont'd)**

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- Justgreen Agriculture Products Co., Ltd, based in Thailand, where we purchased fresh vegetables, comprising mainly chillies and capsicums which accounted for 7.83%, 21.37%, 21.91% and 17.78% of our total purchases of fresh vegetables and finished goods for FYE 2020, FYE 2021, FYE 2022 and FYE 2023, respectively. We are not dependent on Justgreen Agriculture Products Co., Ltd as we also sourced similar types of fresh vegetables from other suppliers domestically in Malaysia as well as imports from Thailand and other foreign countries.
- Kemuncak Abadi Sdn Bhd, based in Malaysia, where we purchased packaged beverages including third party brands and our own brands of packaged beverages from this supplier which accounted for 14.52% of our total purchases of fresh vegetables and finished goods for FYE 2023. We are not dependent on Kemuncak Abadi Sdn Bhd as the third party brand of packaged beverages we purchased from them can be sourced from another distributor. In addition, we engaged them mainly as a supplier to handle all the importation of our brands of packaged beverages, namely "FULL POWER Extra!" and "ARIOS". We are not dependent on Kemuncak Abadi as we are able to engage other third party to handle the importation of our brands of packaged beverages.

From January 2024 and up to the LPD, we sourced our fresh vegetables and finished goods from approximately 129 suppliers.

We commonly source our fresh vegetables from foreign suppliers in view of the volume required to meet our customers' orders as well as the type and quality of the vegetables together with the competitive pricing offered by the foreign suppliers. The total purchases of fresh vegetables which sourced domestically accounted for 26.70%, 23.43%, 22.79% and 18.15%, while the imported fresh vegetables accounted for 73.30%, 76.57%, 77.21% and 81.85% of our total purchases of fresh vegetables in FYE 2020, FYE 2021, FYE 2022 and FYE 2023, respectively.

In addition, Malaysia is a net importer of fresh vegetables where the total import and export values were RM4.1 billion and RM0.9 billion respectively in 2023. (Source: IMR Report)

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## **6. INFORMATION ON OUR GROUP (Cont'd)**

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### **6.16 RESEARCH AND DEVELOPMENT**

For the Financial Years Under Review and up to the LPD, we have not undertaken any research and development activity as it is not relevant to our business.

### **6.17 TECHNOLOGY USED**

Our business operations do not employ any special technology as we rely on the technologies embedded in the machinery and equipment as set out in Section 6.9 of this Prospectus.

### **6.18 SEASONALITY**

We experience higher sales in December and January mainly due to the festive seasons of Christmas, New Year and Chinese New Year while there is no seasonality during other festive seasons such as Hari Raya and Deepavali.

### **6.19 INTERRUPTIONS TO OUR BUSINESS AND OPERATIONS**

Save as disclosed below, our Group did not encounter any other material interruptions during the past 12 months before the LPD.

#### **6.19.1 COVID-19 conditions in Malaysia**

The World Health Organisation declared Covid-19 a pandemic on 11 March 2020. The Government of Malaysia implemented several measures to reduce and control the spread of COVID-19 in the country, commencing on 18 March 2020. These measures include restrictions on the movement of people within Malaysia and internationally, and restrictions on business, economic and social activities.

The first phase of the MCO was implemented from 18 March 2020 to 3 May 2020 which saw the closure of all businesses except for those classified as "essential services" during that period, or those that have received written approval from the Ministry of Investment, Trade and Industry. Subsequently, as the number of daily and active COVID-19 cases came down, the Government relaxed the country's restrictions and allowed the nation's economy to reopen in a controlled manner. From 18 March 2020 up to June 2021, the MCO went through various phases throughout the country including Conditional MCO, Recovery MCO and Full MCO where restrictions were either relaxed and/or tightened for certain states, districts and/or locations based on the number of daily and active COVID-19 cases in the respective areas. On 15 June 2021, the Government announced the National Recovery Plan, a phased exit strategy from the COVID-19 crisis consisting of four (4) phases where the restrictions gradually eased in each phase. On 1 April 2022, Malaysia entered the 'Transition to Endemic' phase where all economic sectors are allowed to operate, and interstate and international travel are allowed, subject to adherence to the relevant standard operating procedure and guidelines.

As our business was deemed as "essential services", we were able to continue operations in accordance to the specified guidelines and standard operating procedures throughout the various phases of MCO.

#### **6.19.2 Impact on our business and financial performance**

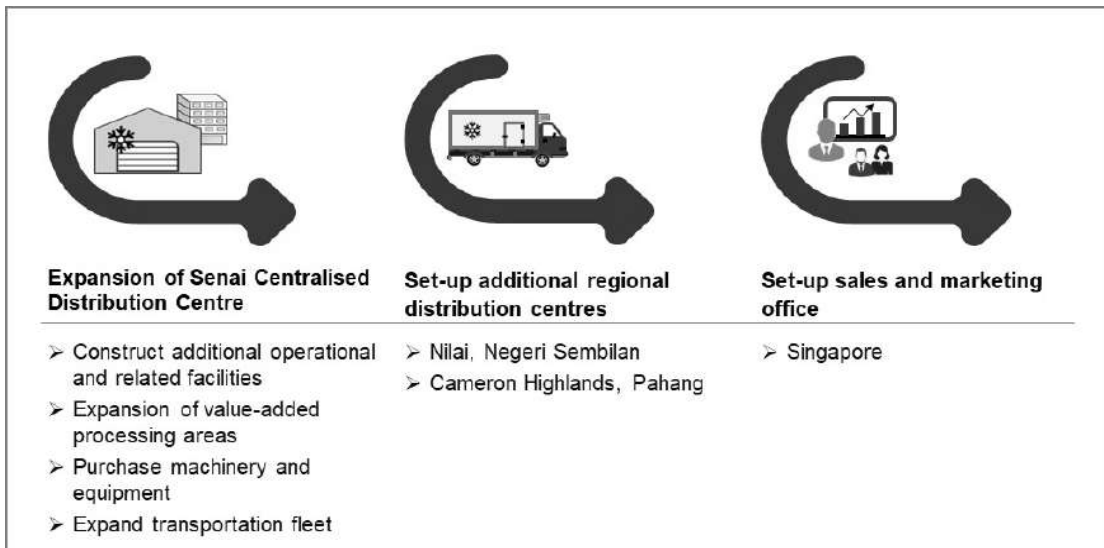
As we are involved in the wholesale distribution of fresh vegetables, F&B products and other groceries, our business falls within essential services. During the various phases of MCO, we continued our business operations and adopted precautionary measures to safeguard our operations and employees.

**6. INFORMATION ON OUR GROUP (Cont'd)**

For the FYE 2021, our revenue grew by RM8.43 million or 11.46% from RM73.54 million in FYE 2020 to RM81.97 million in FYE 2021, and continued to improve by RM12.41 million or 15.14% to RM94.38 million in FYE 2022. Our revenue further increased to RM114.20 million in FYE 2023. As of 31 December 2023, we have deposits, cash and bank balances of RM3.71 million. Our working capital was sufficient for our operating expenditure and will continue to sustain our business, after taking into consideration our deposits, cash and bank balances that were currently available to our Group.

**6.20 BUSINESS STRATEGIES AND PLANS**

Our strategy is to continue to focus on the wholesale distribution of fresh vegetables, F&B products and other groceries. As part of our strategies, we plan to expand our operational facilities to expand our market coverage for business growth as well as enhance our supply chain in fresh vegetables. This is as illustrated in the diagram below:

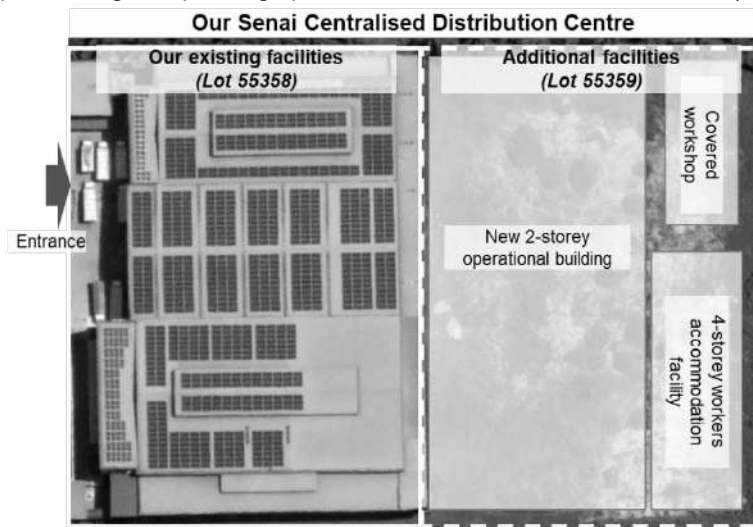


**6.20.1 Expansion of our Senai Centralised Distribution Centre**

**6.20.1.1 Construction of additional operational and related facilities in Senai, Johor**

As at the LPD, our Senai Centralised Distribution Centre has a total floor space of 78,721 sq. ft. comprising cold room facilities for storage as well as processing and packing areas as well as ambient temperature storage, processing and packing space. As at the LPD, we also have six (6) other regional distribution centres in Perak (Menglembu), Selangor (Kajang and Klang) and Johor (Tangkak and Batu Pahat) and Penang (Simpang Ampat).

In November 2022, we acquired for Lot 55359, located behind our existing Senai Centralised Distribution Centre. The total purchase consideration for Lot 55359 was RM2.59 million and the acquisition was completed in February 2023.



**6. INFORMATION ON OUR GROUP (Cont'd)**

Part of our plans is to expand our Senai Centralised Distribution Centre by constructing additional facilities on Lot 55359 to cater for our future business expansion. The additional facilities include the following:

- two (2)-storey operational building with office, cold room and related facilities; and
- Other related facilities including four (4)-storey workers' accommodation facilities and one (1) covered workshop for our in-house fleet maintenance and upkeep.

Upon completion of the construction, the operational building and other related facilities will have an additional total built-up area of approximately 84,790 sq. ft. which comprises approximately 4,000 sq. ft. of cold room facility, office and related facilities such as loading bays and packing areas, ambient warehouse space of the operational building and other related facilities (including four (4)-storey workers' accommodation facilities and one (1) covered workshop). Notwithstanding this, the final total built-up area of the completed buildings may vary and be subject to change depending on the final approved design layout, costs involved, and other relevant factors that are not within the control of our Group.

**(i) Construction of an operational building with office, cold room and related facilities (two (2)-storey)**

The additional operational building will be two (2) storeys and it comprises office space, cold room facilities for the storage, processing and packing of fresh vegetables, as well as an ambient temperature warehouse space for the storage of F&B products and groceries. The operational building will have an additional total built-up area of approximately 70,827 sq. ft. which comprises approximately additional 4,000 sq. ft. of cold room and related facilities. With the additional cold room space, our cold room capacity will increase from 29,669 pallets per year to approximately 40,000 pallets per year by 2026.

The details of various functional areas of the additional operational building are set out below:

Built-up functional areas	Proposed built-up area * (sq. ft.)
Two (2)-storey office space	2,400
Operating floors:	
Ambient operational area (two (2)-storey)	54,427
Ambient warehouse space	# 10,000
Cold room facility (chiller)	4,000
<b>Total built-up area</b>	<b>70,827</b>

**Notes:**

\* Subject to building plan approval.

# The estimated storage capacity is 9,000 pallets per year.

**6. INFORMATION ON OUR GROUP (Cont'd)**

As at the LPD, we have engaged an architect for the preparation for the submission of building plan. The key milestones for the construction of the additional operational building are as follows:

Estimated timing	Milestones
Q2 2024	<ul style="list-style-type: none"> <li>▪ Submission of proposed building plan comprising a two (2) storey operational building as well as a four (4)-storey workers' accommodation facilities and a covered workshop for our in-house fleet maintenance and upkeep</li> </ul>
Q4 2024	<ul style="list-style-type: none"> <li>▪ Expected approval of overall building plans</li> <li>▪ Expected commencement of building construction</li> </ul>
Q4 2025	<ul style="list-style-type: none"> <li>▪ Expected completion of building construction</li> <li>▪ Expected commencement of installation of cold storage facilities and racking system</li> <li>▪ Target submission for a CCC</li> </ul>
Q1 2026	<ul style="list-style-type: none"> <li>▪ Expected approval and issuance of the CCC</li> <li>▪ Commencement of operations</li> </ul>

**(ii) Other related facilities**

Part of facility expansion plans at our Senai Centralised Distribution Centre will include the following:

▪ **Construction of workers' accommodation facilities (four (4)-storey)**

The workers' accommodation is a purpose-built building with a total built-up area of 12,478 sq. ft. designed to accommodate approximately 120 persons. Some of the facilities will include:

- common rest room and dining area;
- common kitchen and food preparation areas;
- washroom; and
- clothes drying area.

We will move our workers' accommodation from the Senai Centralised Distribution Centre to the new four (4)-storey workers' accommodation facilities. Meanwhile, the vacant workers' accommodation at the Senai Centralised Distribution Centre will be repurposed as office space.

The construction of the workers' accommodation is expected to commence construction by Q4 2024 upon obtaining the approval for the overall building plan as mentioned above and is expected to be completed by Q4 2025.

▪ **Construction of a covered workshop**

Our wholesale distribution business is also supported by our own fleet of 39 trucks including 14 refrigerated trucks and 25 other trucks including canvas lorries and box trucks as at the LPD.

Proper vehicle maintenance and upkeep is critical to ensure minimum downtime and disruptions to our delivery operations. We have been managing our fleet in-house which is supported by a team of three (3) mechanics as at the LPD to carry out regular maintenance and upkeep of our own fleet of delivery trucks where we carry out minor maintenance works within our premises.

**6. INFORMATION ON OUR GROUP (Cont'd)**

We plan to expand our in-house fleet maintenance facility by constructing a covered workshop with a built-up area of 1,485 sq. ft. as well as hire one (1) additional mechanic to cater for the expansion of our wholesale distribution operations. The construction of the covered workshop is expected to commence by Q4 2024 upon obtaining the approval overall building plan as mentioned above and is expected to be completed by Q4 2025.

**(iii) Estimated cost for the construction of additional operational and related facilities at our Senai Centralised Distribution Centre**

The total estimated cost for the construction of the additional operational and related facilities at our Senai Centralised Distribution Centre is estimated at RM18.30 million which will be funded using a combination of internally generated funds and/or bank borrowings and IPO proceeds and the details are as follows:

	Estimated cost (RM'000)	Source of fund	
		<sup>(1)</sup> Internal funds/ borrowings (RM'000)	IPO proceeds (RM'000)
<b>(a) Operational building</b>	<b>14,800</b>	<b>9,500</b>	<b>5,300</b>
▪ Construction of building	10,000	8,000	2,000
▪ Mechanical and electrical works	1,500	1,200	300
▪ Purchase and installation of cold storage facilities	2,500	-	2,500
▪ Purchase and installation of racking system	500	-	500
▪ Office fit-out	300	300	-
<b>(b) Other related facilities</b>	<b>3,500</b>	<b>2,400</b>	<b>1,100</b>
▪ Four (4)-storey workers' accommodation facilities	3,000	2,400	600
▪ A covered workshop for in-house fleet maintenance and upkeep	500	-	500
<b>Total</b>	<b>18,300</b>	<b>11,900</b>	<b>6,400</b>

**Note:**

- (1) As at the LPD, we have accepted the letter of offer from the financial institution for the financing for the construction of additional operational and related facilities at our Senai Centralised Distribution Centre.

Please refer to Section 4.4 of this Prospectus for further details on the use of proceeds.

**6.20.1.2 Expansion of value-added processing areas**

For the Financial Years Under Review, distribution of prepacked and fresh-cut vegetables has been on the increasing trends which collectively increased from RM16.11 million in FYE 2020 to RM20.12 million and RM23.72 million in FYE 2021 and FYE 2022 respectively and further increased to RM30.36 million in FYE 2023, which achieved a CAGR of 23.52% between FYE 2020 and FYE 2023.



**6. INFORMATION ON OUR GROUP (Cont'd)**

Part of our strategies is to expand our business on the value-added products including prepacked and fresh-cut vegetables leveraging from our processing capabilities where we intend to expand our processing facilities with an additional floor space of approximately 4,000 sq. ft. at our existing Senai Centralised Distribution Centre. In this respect, we will carry out a renovation to expand the processing floor space with cold room facilities. The renovation cost for the renovation is estimated at RM0.50 million which will be funded through internally generated funds and/or bank borrowings. As at the LPD, we have accepted the letter of offer from the financial institution for the financing for the renovation cost in relation to the expansion of the processing floor space with cold room facilities. The renovation of the processing areas at our existing Senai Centralised Distribution Centre is expected to commence in Q3 2025 and is expected to complete by Q4 2025.

**6.20.1.3 Purchase of machinery and equipment**

As part of our expansion plans for Senai Centralised Distribution Centre, we intend to further expand our processing facilities by purchasing new machinery and equipment for business expansion.

As at the LPD, the processing of fresh vegetables such as peeling, cutting and packing activities are done manually as well as by using machines including cutting machines, peeling machines, packing machine and vacuum precooling equipment. As part of our plans to improve our workflow efficiency, we intend to purchase additional machinery and equipment for our processing operations between Q3 2024 and Q1 2026 and these will be placed at our existing and new operational buildings. The planned purchases of new machineries are additions to our existing machineries which will enable us to cater for the anticipated increase in our customers' orders and also to reduce the use of labour for our processing operations.

The total estimated cost for the purchase of new machinery and equipment is RM2.80 million which will be fully funded using a combination of internally generated funds and/or bank borrowings and IPO proceeds. The details of these new machinery and equipment are as follows:

Type of machine	Main function	Number of units	Total estimated cost (RM'000)	Source of fund	
				<sup>(1)</sup> Internal funds/ borrowings (RM'000)	IPO proceeds (RM'000)
Automated packing machines	To automate the packaging process for fresh vegetables	3	1,200	400	800
Peeling machines	To facilitate the mechanical peeling of potatoes and onions	3	700	200	500
Cutting machines	To facilitate mechanical cutting of fresh vegetables	4	600	200	400
Vacuum precooling equipment	To facilitate rapid cooling of vegetables immediately after harvesting in a vacuum processing chamber to maintain freshness and extend the shelf life	1	300	300	-
<b>Total</b>		<b>11</b>	<b>2,800</b>	<b>1,100</b>	<b>1,700</b>

**Note:**

- (1) As at the LPD, we have accepted the letter of offer from the financial institution for the financing for the purchase of machinery and equipment.

## 6. INFORMATION ON OUR GROUP (Cont'd)

### 6.20.1.4 Expansion of our transportation fleet

As at the LPD, we have a fleet of 39 trucks including 14 refrigerated trucks and 25 other trucks to support our wholesale distribution operations and transport fresh vegetables to customers in Johor and Singapore as well as F&B products and other groceries to the other regions of Peninsular Malaysia.

Part of our strategy is also to expand our fleet of refrigerated trucks to cater for our business expansion and growth. In this respect, we intend to purchase 16 additional trucks including eight (8) refrigerated trucks and eight (8) ambient temperature trucks between Q2 2024 and Q1 2026.

The total estimated cost for the purchase of the additional trucks is RM3.00 million which will be fully funded using a combination of internally generated funds and/or bank borrowings and IPO proceeds and the details are as follows:

Type of transportation fleet	Number of units	Total estimated cost (RM'000)	Source of fund	
			<sup>(3)</sup> Internal funds/ borrowings (RM'000)	IPO proceeds (RM'000)
Refrigerated truck	<sup>(1)</sup> 8	1,700	1,530	170
Ambient temperature truck	<sup>(2)</sup> 8	1,300	1,170	130
<b>Total</b>	<b>16</b>	<b>3,000</b>	<b>2,700</b>	<b>300</b>

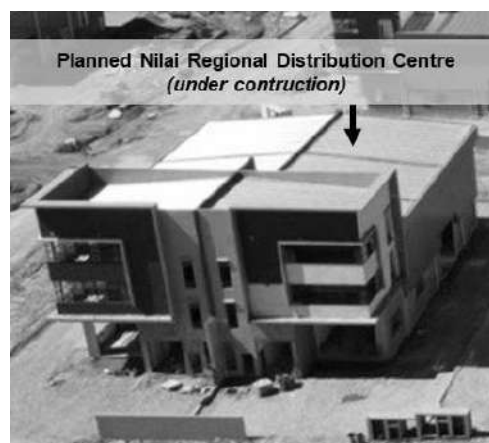
**Notes:**

- (1) Comprises eight (8) units of 21-feet refrigerated trucks.
- (2) Comprises eight (8) units of 18-feet ambient temperature trucks.
- (3) As at the LPD, we have accepted the letter of offer from the financial institution for the financing for the purchase of the additional trucks.

### 6.20.2 Set-up Additional Regional Distribution Centre

As at the LPD, we have six (6) regional distribution centres used for the wholesale distribution of F&B products and other groceries in various states in Peninsular Malaysia. Part of our plans is to expand its fresh vegetables wholesale distribution business into the central region of Peninsular Malaysia and we intend to set up two (2) additional regional distribution centres as follows:

- One (1) regional distribution centre with cold room facilities in Nilai, Negeri Sembilan to expand our geographical coverage for the wholesale distribution of fresh vegetables, F&B products and other groceries in central region of Peninsular Malaysia, as well as East Malaysia. We have commenced the wholesale distribution of fresh vegetables to Sarawak in FYE 2022. As at the LPD, we have received enquiries from customers in the central region for the wholesale distribution of fresh vegetables.



**6. INFORMATION ON OUR GROUP (Cont'd)**

As part of our on-going expansion plans, we acquired a single storey semi-detached factory with a two (2)-storey office in September 2020 from a property developer, namely Sime Darby Property (Nilai) Sdn Bhd for a total purchase consideration of RM2.82 million. The building is located in XME Business Park in Nilai and will have a total built-up area of 6,355 sq. ft. and the construction is expected to be completed by Q2 2024. This distribution centre is expected to commence its operations in Q4 2024 upon the completion of construction of cold room facilities and installation of racking system as well as obtaining the necessary permits. The capacity of our cold room in Nilai will be able to handle approximately 2,500 pallets per year. We have carried out preliminary management financial feasibility assessment for the set-up of the regional distribution centre in Nilai, Negeri Sembilan taking into consideration the geographical coverage of this distribution centre to serve the central region as well as proximity to the port for delivery to customers in East Malaysia.

- One (1) regional distribution centre with cold room facilities in Cameron Highlands, Pahang which will also serve as our procurement centre to source for fresh vegetables from Cameron Highlands. As at the LPD, we have yet to identify the location for the distribution centre in Cameron Highlands. This is part of our strategy to enhance our supply chain and wholesale distribution of fresh vegetables sourced from Cameron Highlands to the central and southern regions of Peninsular Malaysia, as well as to expand our geographical coverage for wholesale F&B products and other groceries in Cameron Highlands. In this respect, we plan to set-up a procurement team at the new distribution centre in Cameron Highlands to source fresh vegetables from local growers. We also intend to allocate space for sorting the fresh vegetables before they are transported to our Senai Centralised Distribution Centre in Johor. This distribution centre is expected to commence its operations in Q4 2024.

During the Financial Years Under Review, we sourced our fresh vegetables from foreign countries and domestic markets in Malaysia. During the Financial Years Under Review, purchases of fresh vegetables accounted for 83.28%, 86.31%, 85.07% and 80.22% of our total purchases of fresh vegetables and finished goods for the FYE 2020, FYE 2021, FYE 2022 and FYE 2023, respectively. Of the total purchases of fresh vegetables for the FYE 2020, FYE 2021, FYE 2022 and FYE 2023, 26.70%, 23.43%, 22.79% and 18.15% respectively were sourced from Malaysia, (which were mainly from Cameron Highlands as well as other suppliers in Johor) while the remaining 73.30%, 76.57%, 77.21% and 81.85% respectively were sourced from foreign countries including, mainly in China, Thailand, Vietnam, and Indonesia. During the Financial Years Under Review, purchases of fresh vegetables sourced from Cameron Highlands accounted for 34.23%, 37.77%, 40.79% and 44.25% of our total purchases of fresh vegetables sourced from Malaysia for the FYE 2020, FYE 2021, FYE 2022 and FYE 2023, respectively.

The total cost of setting up the two (2) new regional distribution centres is estimated at RM1.20 million which will be funded using the IPO proceeds and the details are set out below:

Planned regional distribution centre	Total estimated costs (RM'000)	Expected date to commence operations
<b>On-going</b>		
Nilai, Negeri Sembilan	(1) 1,000	Q4 2024
- construction of cold room facilities	800	
- purchase and installation of racking system	200	
<b>Future</b>		
Cameron Highlands, Pahang	(2) 200	Q4 2024
<b>Total</b>	<b>1,200</b>	

**6. INFORMATION ON OUR GROUP (Cont'd)****Notes:**

- (1) Includes mainly construction cost for cold room facilities as well as purchase of racking systems, office furniture and equipment for the new regional distribution centre in Nilai.
- (2) Includes mainly construction cost for cold room facilities for the new regional distribution centre in Cameron Highlands.

Please refer to Section 4.4 of this Prospectus for further details on the use of proceeds.

**6.20.3 Set-up sales and marketing office**

Our head office and centralised distribution centre is located in Senai, Johor. As at the LPD, our wholesale distribution business is mainly focused in Johor and Singapore while a smaller proportion is in other states in Malaysia. For information purposes, as at the LPD, our Company has a subsidiary, namely Topstar which was incorporated in Singapore. For the Financial Years Under Review, the revenue derived from Singapore increased from RM14.97 million in FYE 2020 to RM29.08 million in FYE 2023, representing a CAGR of 24.77%. Part of our strategy is to set up a sales and marketing office in Singapore in Q4 2024 to facilitate the market reach of our products to a wider geographic market of potential customers, and to better serve our existing customers.

The total cost of setting up a sales and marketing office is estimated at RM0.40 million which will be funded using IPO proceeds. The estimated cost is mainly for the initial working capital including securing a rented office for 12 months and hiring two (2) sales coordination personnel based in Singapore for 12 months.

**6.20.4 Overall summary of the estimated costs of our business strategies and plans**

The overall summary of the estimated costs of our business strategies and plans are as follows:

Strategies and plans	Total estimated cost	Sources of fund		<sup>(1)</sup> Estimated completion timing
		Internal funds/borrowings	IPO proceeds	
	(RM'000)	(RM'000)	(RM'000)	
<b>Expansion of Senai Centralised Distribution Centre</b>	<b>24,600</b>	<b>16,200</b>	<b>8,400</b>	
▪ Operational and other related facilities (workers accommodation facility and covered workshop)	18,300	11,900	6,400	Q1 2026
▪ Expansion of value-added processing areas	500	500	-	Q1 2026
▪ Purchase of new machinery and equipment	2,800	1,100	1,700	Q1 2026
▪ Expansion of transportation fleet	3,000	2,700	300	Q1 2026
<b>Set-up additional regional distribution centres</b>	<b>1,200</b>	<b>-</b>	<b>1,200</b>	
▪ Nilai, Negeri Sembilan	1,000	-	1,000	Q4 2024
▪ Cameron Highlands, Pahang	200	-	200	Q4 2024
<b>Set-up sales and marketing offices</b>	<b>400</b>	<b>-</b>	<b>400</b>	
▪ Singapore	400	-	400	Q4 2024
<b>Total</b>	<b>26,200</b>	<b>16,200</b>	<b>10,000</b>	

**Note:**

- (1) Refers to the estimated completion timing for the expansion of Senai Centralised Distribution Centre, the set-up of additional regional distribution centre and the set-up of sales and marketing offices.

Please refer to Section 4.4 of this Prospectus for further details on the use of proceeds.

## 6. INFORMATION ON OUR GROUP (Cont'd)

### 6.21 EMPLOYEES

As at the LPD, our Group has a total workforce headcount of 161, which consists of 70 Malaysian permanent employees and 91 contract foreign workers. The following sets out the number of our employees according to the business function or department as at the LPD:

Department	Contractual worker		Permanent employee		Total
	Local	Foreign	Local	Foreign	
Management	-	-	4	-	4
Accounts and Administration	-	-	23	-	23
Sales	-	-	14	-	14
Operations <sup>(1)</sup>					
▪ Local	-	-	29	-	29
▪ Foreign	-	91	-	-	91
<b>Total workforce</b>	<b>-</b>	<b>91</b>	<b>70</b>	<b>-</b>	<b>161</b>

**Note:**

(1) The Operations Department comprises of a total of 120 employees which 18 employees are from the warehouse team, 75 employees are from the operational team (including five (5) employees who are involved in the quality control) and 27 employees are from the logistic team.

As at the LPD, local employees accounted for approximately 43.48% of our total workforce while 56.52% were foreign workers. As at the LPD, save for two (2) foreign workers where their work permits are in the process of renewal and one (1) new foreign worker whose work permit is pending issuance by the Immigration Department of Malaysia, all our foreign workers have valid working permits issued and there has been no breach of any immigration laws by our Group. In relation to the two (2) foreign workers with their permits pending renewal and one (1) new foreign worker whose work permit is pending issuance, we have obtained special permits from the Immigration Department of Malaysia which allows them to remain in Malaysia which is renewed for successive 30-day periods whilst pending receipt of the renewed or new work permits from the authorities.

None of our employees belong to any labour union. In the Financial Years Under Review up to the LPD, there were no industrial disputes pertaining to our employees.

**6. INFORMATION ON OUR GROUP (Cont'd)**

**6.22 MAJOR APPROVALS, LICENCES, PERMITS OBTAINED**

Details of major approvals, licences and permits applicable to our Group as at the LPD are as follows:

No.	Company	Description of approval / licence / permit	Authority	Licence/ Reference no.	Validity Period	Major Conditions Imposed	Status of compliance
1.	Farm Price	Licence granted pursuant to Section 9 of the Electricity Supply Act 1990 for participation in the net metering ("NEM") scheme <sup>(1)</sup>	Energy Commission of Malaysia	LA12/1/12/663 (PV-NEM)	22 July 2021 to 21 July 2041	Nil.	Not applicable
2.	Farm Price	Net Energy Metering Approval <sup>(1)</sup>	Sustainable Energy Development Authority	A00005427	<u>Date of approval:</u> 2 December 2020  <u>Commencement Date:</u> 23 November 2021	Nil.	Not applicable
3.	Farm Price	Fire Certificate  Location: Lot 55358	Fire and Rescue Department of Malaysia	Certificate No.: 340239	3 August 2023 to 2 August 2024	(a) The fire certificate is valid for one (1) year from the date of issuance and must be renewed on a yearly basis no less than 30 days before the expiry date.  (b) The certificate holder shall not make any changes to the state of the premises that will affect the adequacy of its safety conditions. If the certificate holder is planning to make any changes to the state of the premises, the certificate holder shall submit prior written notification together with the relevant documents to the relevant Fire and Rescue Department branch.	Complied

**6. INFORMATION ON OUR GROUP (Cont'd)**

No.	Company	Description of approval / licence / permit	Authority	Licence/ Reference no.	Validity Period	Major Conditions Imposed	Status of compliance
						<p>(c) In the event that the fire certificate is lost or destroyed, the certificate holder must inform the Director General of the Fire and Rescue Department of Malaysia within 14 days and request for a replacement fire certificate for a corresponding replacement fee.</p> <p>(d) The fire certificate must be displayed in a prominent location at the premises and must be made available for inspection.</p>	
4.	Farm Price	<p>Certificate of Fitness (Unfired Pressure Vessel) pursuant to Factories and Machinery Act 1967 for air compressor system</p> <p>Location: Lot 55358</p>	DOSH	PMT-JH/23 216032	19 August 2023 to 16 November 2024	Nil.	Not applicable
5.	Farm Price	<p>Certificate of Fitness (Air Receiver) pursuant to Factories and Machinery Act 1967 for air compressor</p> <p>Location: Lot 55358</p>	DOSH	PMT-JH/23 216033	19 August 2023 to 16 November 2024	Nil.	Not applicable
6.	Farm Price	Licence for Buying, Selling, and Exporting Vegetables	FAMA	1227 D07J	3 July 2022 to 30 June 2026	Nil.	Not applicable

**6. INFORMATION ON OUR GROUP (Cont'd)**

No.	Company	Description of approval / licence / permit	Authority	Licence/ Reference no.	Validity Period	Major Conditions Imposed	Status of compliance
7.	Farm Price	Approval to employ foreign employees	Ministry of Human Resources	KSM/FWCMS/ YX250000001	10 September 2022 to 11 March 2024 <sup>(2)</sup>	<p>(a) This approval is for the approved quota of 85 foreign employees. Any amount of this quota that is not used within 18 months from the date of this approval will be immediately cancelled; <sup>(2)</sup></p> <p>(b) The foreign employees shall be employed in the factory sector as factory workers in basic job categories or as operators only.</p>	Complied
8.	Farm Price	Certificate of Accommodation in respect of the prescribed accommodation located at our Senai Centralised Distribution Centre pursuant to the Employees Minimum Standards of Housing and Amenities Act 1990	Department of Labour Peninsular Malaysia	AC/10100/2022/ 1271	18 October 2022 to 17 October 2025	<p>(a) No more than 96 employees shall reside in the prescribed accommodation;</p> <p>(b) Farm Price shall comply with the provisions of the Employees' Minimum Standards of Housing, Accommodation and Amenities (Accommodations and Centralized Accommodation) Regulations 2020;</p> <p>(c) The accommodation is complimentary for Farm Price's employees without any rent or charge;</p> <p>(d) Farm Price shall report on the occupancy of the employees in the accommodation within 30 days of their occupation;</p>	Complied



**6. INFORMATION ON OUR GROUP (Cont'd)**

No.	Company	Description of approval / licence / permit	Authority	Licence/ Reference no.	Validity Period	Major Conditions Imposed	Status of compliance
						<p>(e) Farm Price shall report the termination of the accommodation at least 30 days before the date of termination; and</p> <p>(f) Farm Price shall display this certificate at the accommodation in a prominent place.</p>	
9.	Farm Price	<p>Certificate of Authentication of Halal Status for the following items manufactured, distributed and managed by Farm Price:</p> <p>(1) baby cucumber                      (2) baby lettuce                      (3) celery                      (4) big onion                      (5) peeled big onion                      (6) peeled shallot                      (7) yellow onion                      (8) peeled yellow onion                      (9) peeled garlic                      (10) round spinach                      (11) red spinach                      (12) long spinach                      (13) purple spinach                      (14) broccoli                      (15) green capsicum                      (16) yellow capsicum                      (17) red capsicum                      (18) green chilli                      (19) red chilli                      (20) small green chilli                      (21) spring onion                      (22) curry leaves</p>	Department of Islamic Development Malaysia	Reference No. JAKIM.700-2/3/1097-12/2020	1 November 2022 to 31 October 2024	Nil.	Not applicable

**6. INFORMATION ON OUR GROUP (Cont'd)**

No.	Company	Description of approval / licence / permit	Authority	Licence/ Reference no.	Validity Period	Major Conditions Imposed	Status of compliance
		(23) kesum leaves					
		(24) coriander leaves					
		(25) turmeric leaves					
		(26) lime leaves					
		(27) pandan leaves					
		(28) chinese celery					
		(29) peeled young ginger					
		(30) peeled old ginger					
		(31) lady finger					
		(32) french beans					
		(33) long bean					
		(34) kailan					
		(35) water spinach					
		(36) local yam					
		(37) Thai yam					
		(38) local sweet potato					
		(39) peeled potato					
		(40) Beijing cabbage					
		(41) round cabbage					
		(42) cauliflower					
		(43) long cabbage					
		(44) chives					
		(45) bitter ground					
		(46) pumpkin					
		(47) Cameron leek					
		(48) leek flower					
		(49) big lime					
		(50) carrot					
		(51) nai pak Cameron					
		(52) small bitter gourd					
		(53) big bitter gourd					
		(54) phuay leng					
		(55) green mustard					
		(56) Japanese mustard					
		(57) Curly mustard					

**6. INFORMATION ON OUR GROUP (Cont'd)**

No.	Company	Description of approval / licence / permit	Authority	Licence/ Reference no.	Validity Period	Major Conditions Imposed	Status of compliance
		(58) White mustard pak choi (59) king shot (60) turnip (61) lemongrass (62) long brinjal (63) cucumber (64) hairy gourd (65) Japanese cucumber (66) old cucumber					
10.	Farm Price	Certificate of registration for conforming to GMP of processing and packing of vegetables and fruits	GICL	Certificate No. N710397	2 March 2023 to 1 March 2026	Nil.	Not applicable
11.	Farm Price	Certificate of registration for conforming to the general principles of food hygiene and its annex hazard analysis and critical control point system (also known as HACCP) and guidelines for its application in processing and packing of vegetables and fruits	GICL	Certificate No. N772692	2 March 2023 to 1 March 2026	Nil.	Not applicable
12.	Farm Price	Certificate of registration for conforming to the international organization for standardization (also known as ISO) 9001:2015 in processing and packing of vegetables and fruits	GICL	Certificate No. 786055	22 March 2023 to 12 February 2026	Nil.	Not applicable

**6. INFORMATION ON OUR GROUP (Cont'd)**

No.	Company	Description of approval / licence / permit	Authority	Licence/ Reference no.	Validity Period	Major Conditions Imposed	Status of compliance
13.	Farm Price	Business Premises Licence for fruits and vegetable factory, management office and warehouse at the premises situated at Lot 55358	Kulai Municipal Council	LPP414414415 05900	1 January 2024 to 31 December 2024	Nil.	Not applicable
14.	Farm Price	Certificate of registration of food premises located at Senai Centralised Distribution Centre	Food Safety and Quality Programme, Ministry of Health Malaysia	FSSM04190054 9-01	7 April 2022 to 7 April 2025	Nil.	Complied
15.	FP Foods	Approval to Re-Label Beverage Named "Full Power – Flavoured Drink" Imported from Vietnam (" <b>Beverage</b> ")	Department of Public Health, Ministry of Health Malaysia	KKM.600-7/2/6 Jld.25(4)	Effective from 18 April 2020	<p>(a) Re-labelling of the Beverage shall be carried out at the premises known as Lot 55358, Jalan Seelong Jaya 15, 81400 Senai, Johor;</p> <p>(b) The labelling shall be a label that has been approved by the Department of Public Health and must be carried out within three (3) months from the date of importation of the Beverage;</p> <p>(c) The approval is applicable to current and future consignments of the Beverage provided that the type of product and the location of the labelling are the same as what is set out in this approval;</p> <p>(d) FP Foods shall at all times comply with the Food Act 1983 and Food Regulations 1985.</p>	Complied

**6. INFORMATION ON OUR GROUP (Cont'd)**

No.	Company	Description of approval / licence / permit	Authority	Licence/ Reference no.	Validity Period	Major Conditions Imposed	Status of compliance
16.	FP Foods	Letter of No Objection to Re-Label Beverage Named "Full Power – Flavoured Drink" (" <b>Full Power Flavoured Drink</b> ")	Food Safety and Quality Division, Ministry of Health Malaysia	KKM.600-7/2/1 Jld.309(9)	Effective from 24 March 2020	<p>(a) FP Foods shall use the approved label only for the purpose of marketing Full Power Flavoured Drink in Malaysia;</p> <p>(b) FP Foods shall not make any prohibited declarations in any marketing activities and is responsible to ensure that the re-labelling of Full Power Flavoured Drink complies with the provisions of the Food Act 1983 and Food Regulations 1985;</p> <p>(c) This approval shall be revoked in the event of any modifications to the formulation and label, or any discrepancy between the information submitted during the application process for this approval and the actual product being sold in the market.</p>	Complied
17.	FP Foods	Business Premises Licence for management office and warehouse at the premises situated at Senai Centralised Distribution Centre	Kulai Municipal Council	Account No. LTB708708708 09093	1 January 2024 to 31 December 2024	Nil.	Not applicable

**6. INFORMATION ON OUR GROUP (Cont'd)**

No.	Company	Description of approval / licence / permit	Authority	Licence/ Reference no.	Validity Period	Major Conditions Imposed	Status of compliance
18.	FP Foods	Business Premises Licence for storage at the premises situated at No. 30 & 30A, Jalan Kencana 1A/24A, Taman Pura Kencana, 83300 Sri Gading, Batu Pahat, Johor	Batu Pahat Municipal Council	Account No. L2023L102447	1 January 2024 to 31 December 2024	Nil.	Not applicable
19.	FP Foods	Business Premises Licence for storage and wholesale of groceries at the premises situated at No. 20, Ground Floor, Jalan Temenggung 37B/KS7, Taman Sejahtera, 41200 Klang, Selangor	Klang Municipal Council	Account No. LL22672205372 520232	8 April 2024 to 31 December 2024	Nil.	Not applicable
20.	FP Foods	Business Premises Licence for warehouse and storage at the premises situated at 24, Jalan Menglumbu Impiana 32, I-Park Menglembu, 31450 Menglembu, Ipoh, Perak	Ipoh City Council	Account No. L0138661-01	27 July 2023 to 26 July 2024	Nil.	Not applicable
21.	FP Foods	Temporary Business Premises Licence for storage of beverages at the premises situated at No. 35, Jalan Rivera, Maharani Rivera, 84000 Muar, Johor	Tangkak District Council	Account No. BPEL20231254 31	1 January 2024 to 31 December 2024	Nil.	Not applicable
22.	FP Foods	Temporary Business Premises Licence for storage of beverages at the premises situated at No. 37, Jalan Rivera, Maharani Rivera, 84000 Muar, Johor	Tangkak District Council	Account No. BPEL20231254 49	1 January 2024 to 31 December 2024	Nil.	Not applicable

**6. INFORMATION ON OUR GROUP (Cont'd)**

No.	Company	Description of approval / licence / permit	Authority	Licence/ Reference no.	Validity Period	Major Conditions Imposed	Status of compliance
23.	FP Foods	Trade, Business, and Industrial Licence for storage at the premises situated at No. 18, Jalan SC 3, Pusat Perindustrian Sg. Chua, 43000 Kajang, Selangor	Kajang Municipal Council	Account No. LTMP-13017	31 July 2023 to 31 July 2024	Nil.	Not applicable
24.	FP Foods	Temporary Business Premises Licence for warehouse and office at the premises situated at No. 4, Jalan Pala 12, Kawasan Industri Ringan PMTG Tinggi, 14100 Simpang Ampat, Pulau Pinang	Seberang Perai City Council	PRI/01/2023091 4/2390	1 January 2024 to 31 December 2024	Nil.	Not applicable
25.	Setia Kawan	Business Premises Licence for management office and warehouse at the premises situated at Senai Centralised Distribution Centre	Kulai Municipal Council	LTB414414415 09094	1 January 2024 to 31 December 2024	Nil.	Not applicable
26.	Setia Kawan	Business Premises Licence for sale of vegetables and groceries at the premises situated at Lot W-163, Puteri Mart, Jalan Beladau 17, Taman Puteri Wangsa, 81800 Ulu Tiram, Johor	Johor Bahru City Council	Account No. L2022LI03739	1 January 2024 to 31 December 2024	Nil.	Not applicable

**6. INFORMATION ON OUR GROUP (Cont'd)**

No.	Company	Description of approval / licence / permit	Authority	Licence/ Reference no.	Validity Period	Major Conditions Imposed	Status of compliance
27.	Setia Kawan	Licence to retail the following scheduled controlled goods at Lot W-163, Puteri Mart, Jalan Beladau 17, Taman Puteri Wangsa, 81800 Ulu Tiram, Johor:  (a) sugar (500kgs); (b) cooking oil (500kgs); and (c) wheat flour (500kgs).	Ministry of Domestic Trade and Cost of Living	AR01004001	2 November 2022 to 1 November 2025	Nil.	Not applicable
28.	Topstar	Licence for Import/Transshipment of Fresh Fruits and vegetables	SFA	IH15G0256	Expiring on 31 July 2024	(a) The licensee must obtain a permit from the Director-General, Food Administration for the import of each consignment of fresh fruits and vegetables. <sup>(3)</sup>  (b) The import or transshipment of fresh fruits and vegetables is subject to the provisions as stated in the Control of Plants (Import & Transshipment of fresh fruits and vegetables) Rules and to any additional conditions as imposed by the Director-General, Food Administration. <sup>(4)</sup>  (c) The Director-General, Food Administration may restrict or prohibit the import or transshipment of any fresh fruits and vegetables from any country, territory, place or farm.	Complied (save as disclosed in the notes (3) and (4) below)



**6. INFORMATION ON OUR GROUP (Cont'd)**

No.	Company	Description of approval / licence / permit	Authority	Licence/ Reference no.	Validity Period	Major Conditions Imposed	Status of compliance
						<p>(d) Fresh fruits and vegetables imported must not contain levels of pesticide residue or toxic chemical residue exceeding those prescribed under rule 9 of the Control of Plants (Import &amp; Transhipment of fresh fruits and vegetables) Rules. <sup>(5)</sup></p> <p>(e) At the time of import, the container (including any basket, carton, bag, box, packet or other receptacle) which contains the fresh fruits and vegetables must bear the name and address of their producer and such other particulars as may be required by the Director-General, Food Administration.</p> <p>(f) All consignment of fresh fruits and vegetables are required to be stored in a cold room licensed or warehouse registered with the SFA.</p> <p>(g) When any of the particulars of the company have been changed, the licensee shall inform the SFA within 14 days.</p> <p>(h) The licensee must maintain a GIRO account with SFA for the payment of annual licence fee and permit fees. Before GIRO account with SFA is established, permit applications will only be approved after payment for the permit fee is made.</p>	

**6. INFORMATION ON OUR GROUP (Cont'd)**

No.	Company	Description of approval / licence / permit	Authority	Licence/ Reference no.	Validity Period	Major Conditions Imposed	Status of compliance
						(i) The Director-General, Food Administration may at any time vary or revoke the existing conditions or impose new conditions.  (j) The licence may be suspended or revoked if the above conditions are not complied with or an offence is committed under the CPA 1993 or any rules under the CPA 1993.	
29.	Topstar	Registration to Import Processed Food Products and Food Appliances	SFA	IP15G1796	Expiring on 31 July 2024	(a) The licensee must obtain a permit from the Director-General, Food Administration for the import of each consignment of processed food and food appliances <sup>(3)</sup> .  (b) The import of processed food and food appliances is subject to full compliance with the Sale of Food Act 1973 and the Food Regulations.  (c) All foods products are to be obtained from regulated sources. <sup>(6)</sup>  (d) The Director-General, Food Administration may restrict or prohibit the import of any food product or food appliances from any country, territory or place, any farm or processing establishment.	Complied (save as disclosed in the notes (4) and (5) below)

**6. INFORMATION ON OUR GROUP (Cont'd)**

No.	Company	Description of approval / licence / permit	Authority	Licence/ Reference no.	Validity Period	Major Conditions Imposed	Status of compliance
						<p>(e) All consignments of food products are required to be stored in a coldroom licensed or warehouse registered with the SFA.</p> <p>(f) When any of the particulars of the company have been changed, the licensee shall inform the SFA within 14 days.</p> <p>(g) The Director-General, Food Administration may at any time vary or revoke of the existing conditions or impose new conditions.</p> <p>(h) This registration to import processed food and food appliances may be suspended or revoked if the above conditions are not complied with or an offence is committed under the Sale of Food Act 1973 and the Food Regulations.</p>	

**Notes:**

- (1) Our Group has obtained these approvals from the Energy Commission of Malaysia and Sustainable Energy Development Authority in respect of the installation of solar photovoltaic system at our Senai Centralised Distribution Centre to supplement our power supply requirements.
- (2) Our Group has 91 foreign employees as at the LPD comprises the following:
  - (i) 13 foreign employees that were employed pursuant to an approval obtained from the Ministry of Home Affairs in January 2016 for maximum number of up to 16 foreign employees (which has since expired); and

## 6. INFORMATION ON OUR GROUP (Cont'd)

- (ii) 78 foreign employees that were employed pursuant to the approval obtained from the Ministry of Human Resources in September 2022 for maximum number of up to 85 foreign employees and this approval has expired on 11 March 2024. Following the expiry of the approval, our Group will no longer be permitted to employ any additional new foreign employees until the Malaysian Government lifts the ongoing freeze on new foreign worker quotas.
- (3) Our subsidiary, Topstar, obtains cargo clearance permits (“**CCP**”) as and when required when importing fresh vegetables into Singapore. Usually, we will be able to obtain CCPs within the same day upon our submission of the application form to a forwarding agent recognised by the Singapore Customs, with the CCPs being valid for 14 days from its date of issuance. During the Financial Years Under Review and up to the LPD, we have not encountered any delays in obtaining CCPs which resulted in delayed deliveries to our customers in Singapore.
- (4) On 24 March 2021, Topstar was notified by the SFA that it had imported fresh vegetables from Malaysia in excess of approximately 250kg from the approved amount stated in the corresponding cargo clearance permit, and as a result the excess fresh vegetables were subsequently seized and disposed of by the SFA. Pursuant to the above, Topstar and Dr. Tiong Lee Chian (in his capacity as director of Topstar) each received a court fine of SGD5,000. Both of these fines were settled in full on 27 July 2022. The penalty imposed on Topstar of SGD5,000 (based on the exchange rate of SGD1:RM3.2140 as at 27 July 2022) in relation to this incident represents approximately 0.26% of our Group’s PBT for the FYE 2022. The penalty imposed had no material impact to our Group’s business operations and financial condition. As at the LPD, the total amount of penalties incurred by our Group pursuant to the abovementioned breach by Topstar was SGD5,427.61, comprising the penalty imposed by the court fine and the loss on under declared value of goods (including goods and services tax).

The under-declaration of weight of fresh vegetables imported into Singapore was mainly due to an oversight by one (1) of our previous employees. Pursuant to this incident, our Group has incorporated additional steps in our customs clearance declaration policy to strengthen our monitoring process in our efforts to prevent similar incidents from occurring in the future, such as:

- (i) introducing a new mechanism to ascertain the quantity of fresh vegetables to be declared on the cargo clearance permit by entering our customers’ orders into our Group’s customised system module, which will generate the respective pro forma invoices and a comprehensive order summary for each order which sorts the orders according to the delivery trucks’ route. We will then submit the order summary for declaration to the SFA. This approach ensures greater accuracy in completing the cargo clearance permits and minimises the risk of human error; and
- (ii) implementing a check-and-balance mechanism where the actual quantity to be delivered to our customers in Singapore is compared and verified against the actual quantity declared to the SFA. This validation procedure is carried out during the loading process by the operation supervisor under the supervision of an export account manager before the fresh vegetables are delivered to Singapore.

**6. INFORMATION ON OUR GROUP (Cont'd)**

- (5) Topstar had received stern warnings from the SFA in 2021 and 2023 in respect of two (2) incidents where the fresh vegetables imported by Topstar had exceeded the permissible levels of pesticide residue prescribed by the SFA, as set out below:

No	Date of letters	Date of Offence	Offence	Legislation	Place of Offence
(a)	28 July 2021	8 July 2021	Sample of coriander from a consignment imported from Malaysia by Topstar under CCP No. IG1G885458N was found containing residue of Flusilazole exceeding the permissible level	Section 8(1)(c) of the CPA 1993	Pasir Panjang Wholesale Centre Auction Hall
(b)	5 April 2023	28 March 2023	Sample of kailan from a consignment imported from Malaysia by Topstar under CCP No. IG3C422608E was found to contain residues of Cyhalothrin and Pyridaben exceeding the permissible level	Section 8(1)(c) of the CPA 1993	Pasir Panjang Wholesale Centre Auction Hall

Topstar was warned to refrain from committing any further offence(s) for the same type of vegetables in the future, but was not issued any penalties. As such, there was no material impact to our Group's business operations and financial condition.

Further to incident (a) above, our Group had identified the relevant supplier from Thailand and had notified them of the warning received from the SFA. After further deliberation and considering the quality of service of the supplier, our Group gave a warning to the supplier that if the same incident were to occur again, our Group shall cease sourcing fresh vegetables from the said supplier.

In relation to incident (b) above, our Group had identified the relevant grower located in Johor and notified them of the warning received from the SFA. After further deliberation and considering the availability of other suppliers, our Group had decided to cease sourcing fresh vegetable from this grower. We are now sourcing the supply of kailan from Cameron Highlands, Pahang.

Pursuant to these incidents, our Group has started carrying out voluntary random sampling of our fresh vegetables every six (6) months from different suppliers to test the presence of prohibited pesticide residue and the levels of pesticide residue or toxic chemical residue contained in the vegetables to ensure compliance with the CPA 1993 by sending the samples to external independent labs for testing as part of our Group's quality control and compliance measures. These additional tests are intended to supplement the chemical and microbiological laboratory reports on our minimally processed vegetables that we are required to submit to the SFA once in every six (6) months in our efforts to prevent similar incidents from occurring in the future.

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**6. INFORMATION ON OUR GROUP (Cont'd)**

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Our Group has also incorporated additional steps in its external provider procedure for the engagement of third party suppliers to strengthen our monitoring process in our efforts to prevent similar incidents from occurring in the future, such as:

- (i) to engage in periodic visits to the farms of local growers for ongoing support and monitoring;
  - (ii) to gain insights into the customer base of local growers and the extent of their geographical coverage;
  - (iii) to provide local growers with guidance on the pesticide application;
  - (iv) to conduct periodic visits to foreign suppliers' sites from time to time to inspect their facilities and verify their quality control measures; and
  - (v) to engage with suppliers who are familiar with the SFA's import requirements (in relation to fresh vegetables that we export into Singapore).
- (6) The processed food product may be imported from any country provided that the food importer has obtained and maintained the regulated source documentation such as HACCP, GMP and any other certificates issued by the food regulatory authorities in the food importer's country of origin. Our Group has obtained the abovementioned certification as set out in Section 6.22 of this Prospectus and our Managing Director and Executive Director, namely Dr. Tiong Lee Chian and Liew Tsuey Er, are responsible for monitoring and ensuring that our Group remains in compliance with the terms and conditions imposed by the relevant regulatory authorities.

For information purposes, our Group does not require an import licence to import fresh vegetables into Malaysia in view that vegetables are not products that require an import licence to be imported into Malaysia under the Food Act 1983 and Food Regulations 1985. In addition, our Group also does not require an import licence to import packaged beverages into Malaysia in view that the importation of packaged beverages does not require an import licence under the Food Act 1983 and Food Regulations 1985.



In addition to the above, our Group is aware of its licences, approvals, and permits that are expiring soon and will be submitting the relevant renewal applications prior to the expiry of the validity periods. Our Group does not foresee any obstacles in securing such renewals.

**6. INFORMATION ON OUR GROUP (Cont'd)**



**6.23 INTELLECTUAL PROPERTY RIGHTS, PATENTS, TRADEMARKS AND REGISTRATIONS**

Save as disclosed below, as at the LPD our Group does not have any patents, trademarks, registrations and other intellectual property rights:

**Locally Registered Trademarks**


No.	Company	Trade Mark	Class / Description	Authority	Registration No.	Validity Period	Status
1.	Farm Price		Class 35 – Import-export agencies; manufacturer’s representative services; retailing and wholesaling of goods (by any means); the bringing together, for the benefit of others, a variety of goods (excluding the transport thereof), enabling customers to conveniently view and purchase the goods; all included in class 35.	Intellectual Property Corporation of Malaysia (“MyIPO”)	2018011666	14 September 2018 to 14 September 2028	Registered
2.	FP Foods		Class 32 – Mineral water (beverages); natural mineral water (not for medical purposes); drinking water; beer; fruit juices; isotonic drinks (not for medical purposes); aerated mineral waters; non-alcoholic carbonated drinks; energy drinks; all included in class 32.	MyIPO	2013063215	5 December 2013 to 5 December 2033	Registered

**6. INFORMATION ON OUR GROUP (Cont'd)**


No.	Company	Trade Mark	Class / Description	Authority	Registration No.	Validity Period	Status
3.	FP Foods		Class 32 – Mineral water (beverages); aerated beverages (non-alcoholic); aerated mineral waters; fruit drinks; fruit juices; syrups for making beverages; preparations for making beverages; carbonated water; isotonic beverages; beer; energy drinks (not for medical purposes); soda water; fruit juice beverages that contain multi vitamins; all included in class 32.	MyIPO	2017007485	18 July 2017 to 18 July 2027	Registered
4.	FP Foods		Class 32 – Mineral water (beverages); mineral and aerated waters and other non-alcoholic beverages; aerated mineral waters; fruit drinks and fruit juices; syrups for making beverages; non-alcoholic preparations for making beverages; carbonated water; isotonic beverages; beer; soda water; bottled drinking water; drinking water.	MyIPO	2021035169	9 March 2016 to 9 March 2026	Registered



**6. INFORMATION ON OUR GROUP (Cont'd)**

No.	Company	Trade Mark	Class / Description	Authority	Registration No.	Validity Period	Status
5.	Farm Price		Class 31 – Fresh and unprocessed fruits, vegetables, nuts and seeds; seeds for growing fruits and vegetables; unprocessed raw fruit; fresh durians; plant seedlings; seeds for planting; all included in class 35.	MyIPO	TM2020019981	9 September 2020 to 9 September 2030	Registered

**Internationally Registered Trademarks**

No.	Company	Trade Mark	Class / Description	Authority	(1) Designated Countries	Registration No.	Validity Period	Status
1.	FP Foods		Class 32 – Mineral water (beverages); aerated beverages (non-alcoholic); aerated mineral waters; fruit drinks; fruit juices; syrups for making beverages; preparations for making beverages; carbonated water; isotonic beverages; beer; energy drinks (not for medical purposes); soda water; fruit juice beverages that contain multi vitamins; all included in class 32.	World Intellectual Property Organisation (“WIPO”)	(2) China, Indonesia, Cambodia, Philippines	1706483	15 September 2022 to 15 September 2032	(2) Registered with WIPO. Pending registration with Designated Countries (as defined herein).

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**6. INFORMATION ON OUR GROUP (Cont'd)**

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**Notes:**

- (1) *The WIPO operates a centralised system for international trademark registration known as the Madrid System. The Madrid System allows applicants to file a single trademark application with a WIPO member country via that country's national intellectual property office and gives the applicant the discretion to choose to apply for additional trademark protection in up to 130 countries worldwide that are covered by the WIPO's member countries. The applicant may designate such additional WIPO member countries either during the initial application process, or after registration of the trademark with the WIPO member country that it wishes to seek additional trademark protection in ("**Designated Countries**"). Upon selecting and informing the WIPO of the applicant's choice of Designated Countries, the WIPO will inform the respective Designated Countries of the applicant's request, and the respective national intellectual property office of each Designated Country will review the applicant's request and either approve the grant of trademark protection in that Designated Country, or provisionally refuse to provide trademark protection.*
  
- (2) *The Directorate General of Intellectual Property of the Republic of Indonesia had on 15 February 2024 issued a statement of grant of protection for this trademark in the Republic of Indonesia. As at the LPD, this trademark is currently under review by the respective national intellectual property offices of China, Cambodia and the Philippines.*

**6. INFORMATION ON OUR GROUP (Cont'd)**

**6.24 MATERIAL DEPENDENCY ON COMMERCIAL CONTRACTS/AGREEMENTS/INTELLECTUAL PROPERTY RIGHTS/LICENCES OR PERMITS/ BUSINESS PROCESSES**

Save for the major licences in Section 6.22, registered trademarks and intellectual property rights in Section 6.23, our Group's business or profitability is not materially dependent on any contracts, intellectual property rights, licences and permits, and production or business processes as at the LPD.

**6.25 PROPERTIES, PLANT AND EQUIPMENT**

**6.25.1 Properties owned**

A summary of the material land and buildings owned by our Group for our operations as at LPD is as follows:

No.	Registered/ Beneficial Owner	Title details/Property address	Description and Existing Use	Category of land use/Express conditions/ Tenure of property	Restrictions in interest/ Material encumbrances	Date of CF or CCC	Land/Gross built-up area	NBV as at 31 December 2023 (RM'000)
1.	Farm Price	Title details: GRN 285558, Lot 55358, Mukim Senai, Daerah Kulai, Johor  Property address: Lot 55358	Description: One (1) block of single- storey warehouse with a three-storey office, one (1) block of single storey warehouse with a two-storey office, one (1) unit of TNB substation, one (1) unit of guard house, and one (1) unit of garbage disposal  Existing use: Senai Centralised Distribution Centre	Category of land use: Commercial or Industrial  Express conditions: Building  Tenure property: Freehold	Restrictions in interest: Nil.  Material encumbrances: Charged in favour of Public Bank Berhad and Public Islamic Bank Berhad	18 September 2019  28 March 2023 (expansion to Senai Centralised Distribution Centre)  31 May 2023 (installation of awnings to Senai Centralised Distribution Centre)	Land area: 7,753 sq. m.  Gross built-up area: 78,721 sq. ft.	11,727

**6. INFORMATION ON OUR GROUP (Cont'd)**

No.	Registered/ Beneficial Owner	Title details/Property address	Description and Existing Use	Category of land use/Express conditions/ Tenure of property	Restrictions in interest/ Material encumbrances	Date of CF or CCC	Land/Gross built-up area	NBV as at 31 December 2023 (RM'000)
2.	Farm Price	Title details: GRN 285561, Lot 55359, Mukim Senai, Daerah Kulai, Johor  Property address: Lot 55359	Description: Vacant land  Existing use: Vacant land <sup>(1)</sup>	Category of land use: Nil  Express conditions: Nil  Tenure property: Freehold of	Restrictions in interest: Nil  Material encumbrances: Nil	N/A	Land area: 7,753 sq. m.  Gross built-up area: Not applicable	2,940
3.	Farm Price	Title details: HSD 129354, PT 123364, Mukim Klang, Daerah Klang, Selangor  Property address: No. 20, Jalan Temenggung 37B/KS7, Taman Sejahtera, 41200 Klang, Selangor	Description: Double-storey shop- office  Existing use: Distribution centre <sup>(2)</sup>	Category of land use: Building  Express conditions: Commercial Building of  Tenure property: Freehold of	Restrictions in interest: Nil  Material encumbrances: Charged in favour of Public Bank Berhad	31 July 2013	Land area: 139 sq. m.  Gross built-up area: 2,992 sq. ft.	522

**6. INFORMATION ON OUR GROUP (Cont'd)**

No.	Registered/ Beneficial Owner	Title details/Property address	Description and Existing Use	Category of land use/Express conditions/ Tenure of property	Restrictions in interest/ Material encumbrances	Date of CF or CCC	Land/Gross built-up area	NBV as at 31 December 2023 (RM'000)
4.	FP Foods	<p>Title details: PN28583, Lot 6547, Mukim Kesang, Daerah Tangkak, Johor</p> <p>Property address: No. 35, Jalan Rivera, Maharani Rivera, 84000 Tangkak, Johor</p>	<p>Description: Three-storey shop-office</p> <p>Existing use: Distribution centre</p>	<p>Category of land use: Building</p> <p>Express conditions: This land shall be used as a three (3)-storey shop/office built according to the plan approved by the relevant local authority.</p> <p>All dirt and pollution as a result of this activity as may be carried out on the property should be channelled or discarded to the places that have been permitted by the relevant authorities.</p> <p>Tenure of property: Leasehold with remaining tenure of 75 years</p>	<p>Restrictions in interest: The land shall not be sold or transferred in any way to non-citizens of Malaysia without the consent of the State Authority</p> <p>Material encumbrances: Charged in favour of Alliance Bank Malaysia Berhad</p>	6 July 2007	<p>Land area: 176 sq. m.</p> <p>Gross built-up area: 5,682 sq. ft.</p>	476

**6. INFORMATION ON OUR GROUP (Cont'd)**

No.	Registered/ Beneficial Owner	Title details/Property address	Description and Existing Use	Category of land use/Express conditions/ Tenure of property	Restrictions in interest/ Material encumbrances	Date of CF or CCC	Land/Gross built-up area	NBV as at 31 December 2023 (RM'000)
5.	FP Foods	Title details: PN28584, Lot 6548, Mukim Kesang, Daerah Tangkak, Johor  Property address: No. 37, Jalan Rivera, Maharani Rivera, 84000 Tangkak, Johor	Description: Three-storey shop-office  Existing use: Distribution centre	Category of land use: Building  Express conditions: This land shall be used as a three (3)-storey shop/office built according to the plan approved by the relevant local authority.  All dirt and pollution as a result of this activity as may be carried out on the property should be channelled or discarded to the places that have been permitted by the relevant authorities.  Tenure of property: Leasehold with remaining tenure of 75 years	Restrictions in interest: The land shall not be sold or transferred in any way to non- citizens of Malaysia without the consent of the State Authority  Material encumbrances: Charged in favour of Alliance Bank Malaysia Berhad	6 July 2007	Land area: 175 sq. m.  Gross built-up area: 5,652 sq. ft.	493

**6. INFORMATION ON OUR GROUP (Cont'd)**

No.	Registered/ Beneficial Owner	Title details/Property address	Description and Existing Use	Category of land use/Express conditions/ Tenure of property	Restrictions in interest/ Material encumbrances	Date of CF or CCC	Land/Gross built-up area	NBV as at 31 December 2023 (RM'000)
6.	FP Foods	Title details: HSD252513, PT 34009, Mukim Setul, Daerah Seremban, Negeri Sembilan  Property address: Lot No. 148, H.S (D) 252513, PT 34009, Mukim Setul, Daerah Seremban, Negeri Sembilan	Description: Single-storey semi- detached factory  Existing use: Under construction <sup>(3)</sup>	Category of land use: Commercial or industrial  Express conditions: The land shall be used for detached factories only  Tenure property: Freehold	Restrictions in interest: Nil  Material encumbrances: Charged in favour of Malayan Banking Berhad	N/A	Land area: 895.16 sq. m.  Gross built-up area: 6,355.28 sq. ft.	2,249

**Notes:**

(1) Lot 55359 is located directly behind our Senai Centralised Distribution Centre. As part of our future plans, we intend to use part of the proceeds from our IPO to expand our Senai Centralised Distribution Centre by constructing additional facilities on Lot 55359 to cater for our future business expansion. Please refer to Section 4.4 of this Prospectus for further details on the use of proceeds from our IPO.

Farm Price had on 5 July 2023 submitted an application to the Johor Land Office for the amalgamation of the Lands together with the requisite application fee, plan(s) describing the Lands to be amalgamated and all relevant approvals (including the planning approvals both dated 24 May 2023 issued by Kulai Municipal Council) that have been obtained to facilitate the Amalgamation. As at the LPD, the application is still being processed by the Johor Land Office. Barring unforeseen circumstances, our Group is expecting to receive the consent from the state authority and the Johor Land Office for the Amalgamation followed by the new land title for the amalgamated Lands by Q2 2024.

(2) This premise is currently tenanted by FP Foods pursuant to a rental arrangement between Farm Price and FP Foods of RM36,960 per annum. This rental arrangement commenced on 1 April 2024 and shall expire on 31 March 2026. It is currently operating as one (1) of our Group's regional distribution centres.

(3) This property is currently under construction and is expected to be completed by Q2 2024.

**6. INFORMATION ON OUR GROUP (Cont'd)**

**6.25.2 Properties rented**

A summary of the material land and buildings rented by our Group for our operations as at the LPD is as follows:

No.	Landlord	Tenant	Property Address	Description / Existing Use	Gross built-up area (sq. ft.)	Tenure	Date of CF or CCC	Rental per annum (RM)
1.	Link Cheong Wah	FP Foods	No. 18, Jalan SC 3, Pusat Perindustrian Sungai Chua, 43000 Kajang, Selangor	One-and-a-half storey terrace factory / Distribution centre	3,750	15 March 2024 to 14 March 2025	8 October 1999	62,400
2.	Dr. Tiong Lee Chian	FP Foods	No. 24, Jalan Menglembu Impiana 32, I Park Menglembu, 31450 Menglembu Perak	One-and-a-half storey semi-detached factory / Distribution centre	2,898	1 September 2022 to 31 August 2024	6 June 2013	38,400
3.	Lim Beng Hock	FP Foods	No. 4, Jalan Pala 12, Kaw Industri Ringan PTMG Tinggi, 14100 Simpang Ampat, Penang	One-and-a-half storey semi-detached factory / Distribution centre	6,500	15 May 2023 to 14 May 2025	9 October 2000	78,000
4.	Eng Hiap Seng Sdn Bhd	FP Foods	30 & 30A, Jalan Kencana 1A/24A, Taman Pura Kencana, 83300 Sri Gading, Batu Pahat, Johor	Two -storey shop-office / Distribution centre	6,588	1 June 2023 to 31 May 2025	11 December 2013	18,000
5.	TSH Realty Sdn Bhd	Setia Kawan	No. 56 & 58, Lot W-163, Puteri Mart, Jalan Beladau 17, Taman Puteri Wangsa, 81800 Ulu Tiram, Johor	Shop lot / Retail outlet	1,330	1 January 2024 to 31 December 2024	25 June 2008	72,000



## 6. INFORMATION ON OUR GROUP (Cont'd)

### 6.26 GOVERNING LAWS AND REGULATIONS

A summary of the relevant laws and regulations governing the business of our Group are set out below:

#### 6.26.1 Malaysia

##### (i) Customs Act 1967 and Customs Regulation 1977

The Customs Act 1967 (“**CA 1967**”) provides for the procedures and measures to be applied by the Royal Malaysian Customs Department (“**RMCD**”) before the RMCD releases any goods, including animals, birds, fish, plants, currency, bearer negotiable instruments and any other kinds of movable property that are imported by way of air, road or sea.

Under the CA 1967, we are required to make import declarations (in the form specified in the Customs Regulation 1977) on dutiable and non-dutiable goods that are imported into Malaysia in accordance with the relevant customs forms prepared and submitted by our Group to the RMCD. These import declarations shall be made upon the arrival of the imported goods at the relevant port or airport, failing which the imported goods shall not be released to us. The import declaration in relation to imported goods must provide a full and true account of the description, weight, measure, quantity, value and country of origin of the imported goods.

We are also required to make export declarations (in the form specified in the Customs Regulation 1977) on goods that are exported from Malaysia in accordance with the relevant customs forms prepared and submitted by our Group to the RMCD. These export declarations are made prior to the departure of the goods from the relevant port or airport, failing which the goods shall not be allowed to be exported. The export declarations in relation to exported goods must also provide a full and true account of the description, weight, measure, quantity, value and destination country.

An individual who fails to provide a full and true account of the imported and exported goods commits an offence under the CA 1967, and shall, on conviction, be liable to a fine not exceeding RM500,000 or to imprisonment for a term not exceeding seven (7) years, or to both.

Our Group is required to make import and export declarations as and when our Group imports fresh vegetables into Malaysia and exports fresh vegetables from Malaysia. As at the LPD and for the Financial Years Under Review, our Group has complied with the requirements under the CA 1967 for import and export declarations.

##### (ii) Factories and Machinery Act 1967 and Factories and Machinery (Notification, Certificate of Fitness and Inspection) Regulations, 1970 governing the issuance of the certificate of fitness for applicable machineries

The Factories and Machinery Act 1967 (“**FMA 1967**”) regulates the operation of machinery in Malaysia. It provides that no person shall operate, or cause or permit to operate any machinery that the FMA 1967 prescribes as requiring a certificate of fitness in order for such machinery to be operated, unless a valid certificate of fitness has been issued for that machinery under the FMA 1967. Any person who operates any machinery without a valid certificate of fitness shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM150,000 or to a term of imprisonment not exceeding three (3) years or both. In the event of contravention of the requirement above by any person, an inspector of Factories and Machinery (“**Inspector**”) shall serve on that person a written notice prohibiting the use of such machinery or alternatively render the machinery inoperative until a valid certificate of fitness has been issued.

No one shall install or cause to be installed any machinery in any factory or any machinery in respect of which a certificate of fitness is prescribed except with the written approval of an Inspector. Any person who contravenes this shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding two (2) years or both.

## 6. INFORMATION ON OUR GROUP (Cont'd)

For any contravention under FMA 1967, the occupier of a factory or the owner (as the case may be) shall be guilty of an offence. Even where it is proved to a court's satisfaction that a contravention under the FMA 1967 has been committed by any person other than the occupier or owner of the factory or machinery in question, the owner or occupier as the case may be, may also be held to be liable for that contravention and to the corresponding penalty provided for under the FMA 1967 unless the owner or occupier proves to the court's satisfaction that the same was committed without his knowledge or consent and that the occupier or owner had taken all reasonable means to prevent the same and to ensure the observance of the FMA 1967.

As at the LPD, our Group has procured valid certificates of fitness for our applicable machineries, as set out in Section 6.22 of this Prospectus.

### (iii) Occupational Safety and Health Act 1994

The Occupational Safety and Health Act 1994 ("**OSHA 1994**") regulates among others, the standards for safety, health, and welfare of employees at their workplace, protection of others against safety risks or health risks in connection with the employees' activities at their location of work in the agriculture industry.

Under the OSHA 1994, employers in the agriculture industry are required to take proper steps to ensure the safety, health and welfare of their employees and to protect them against any safety risks and health risks in relation to their employment activities at their location of work. Employers have a duty to ensure the abovementioned to the extent that it is practicable, including but not limited to the following matters:

- (a) the provision and maintenance of plant and systems of work that are safe and without risks to health;
- (b) the making of arrangements for ensuring safety and absence of risks to health in connection with the use or operation, handling, storage and transport of plant and substances;
- (c) the provision of such information, instruction training and supervision as is necessary to ensure the safety and health at work of his employees;
- (d) as regards any place of work under the control of the employer, the maintenance of it in a condition that is safe and without risks to health and the provision and maintenance of the means of access to and egress from it that are safe and without such risks; and
- (e) the provision and maintenance of a working environment for his employees that is safe, without risks to health and adequate as regards facilities for their welfare at work.

Employers who fail to comply with the matters above are guilty of an offence and on conviction, will be liable to a fine not exceeding RM50,000 and to imprisonment for a term not exceeding two (2) years or to both.

In the event an activity or defect that is likely to cause serious risk to the health of any person, or that may create an immediate danger to life or property occurs at a workplace, an officer from the Department of Occupational Safety and Health may issue an improvement notice or prohibition notice to the employer in respect of the non-compliance with the OSHA 1994. Such notice prohibits the use of the workplace until the danger posed by the activity has been removed and/or a defect has been rectified to the officer's satisfaction. An employer that fails to comply with such notice shall be guilty of an offence and shall on conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding five (5) years, or to both, as well as to a further fine of RM500 for each day that the offence continues.

## 6. INFORMATION ON OUR GROUP (Cont'd)

Where a body corporate contravenes any provisions of the OSHA 1994 or any of its regulations, every person, who at the time of the commission of the offence is a director, manager, secretary or other similar officer of the body corporate shall be deemed to have contravened the provision(s) and may be charged jointly in the same proceedings with the body corporate or severally, and every such director, manager, secretary or other similar officer of the body corporate shall be deemed to be guilty of the offence.

For the Financial Years Under Review and up to the LPD, our Group has not been issued with any penalties by DOSH pursuant to OSHA 1994.

### (iv) **Employees Minimum Standards of Housing and Amenities Act 1990**

The Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 ("**EMSHA 1990**") and the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) Regulations 2020 issued under the EMSHA 1990, imposes, among other things, the minimum standards on accommodation for employees and the requirement for employers to obtain a certificate of accommodation from the Department of Labour Peninsular Malaysia for each accommodation premise.

To obtain the certificate of accommodation, the employer is required to ensure that every accommodation provided for employees complies with the minimum standards which includes, among others, the minimum space requirement for workers' accommodation, basic facilities, as well as safety and hygiene standards required under the EMSHA 1990 or any regulations made thereunder. Pursuant to the EMSHA 1990, failure to obtain such certification may constitute to a fine not exceeding RM50,000 with respect to each employees' accommodation without a certificate of accommodation.

As at the LPD, we are in compliance with the EMSHA 1990 and have not been issued with any penalties by the relevant authorities pursuant to EMSHA 1990.

### (v) **Employment Act 1955 and Employment (Amendment) Act 2022**

The Employment Act 1955 as supplemented and amended by the Employment (Amendment) Act 2022 ("**EA 1955**") sets out the rights and obligations of employers and employees with respect to employment matters in Malaysia. The EA 1955 applies to all employees located in Malaysia, irrespective of their wage level or occupation.

The EA 1955 also governs the employment of foreign employees. The Employment (Amendment) Act 2022 introduced the new requirement for employers to obtain prior approval from the Director General of Labour before employing foreign employees, which came into effect on 1 January 2023. As such, our Group is required to submit an application to the Director General of Labour before hiring additional foreign employees for our Group's business operations.

An employer who contravenes this requirement commits an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding five (5) years, or to both.

As at the LPD, we are in compliance with the EA 1955 and have obtained the relevant approval from the Director General of Labour for the employment of our Group's foreign workers. Please refer to Section 6.22 of this Prospectus for further details on the approval obtained for the employment of our Group's foreign employees.

### (vi) **Local Government Act 1976**

Companies intending to commence business operations in Malaysia are required to obtain a business premises licence (or such equivalent licence(s) as may be determined and imposed by the relevant local authority) for each operating premises pursuant to the Local Government Act 1976 ("**LGA 1976**") before each premises can commence operations.

**6. INFORMATION ON OUR GROUP (Cont'd)**

Our Group operates in various states in Malaysia and as such, is required to comply with the LGA 1976 as well as the relevant by-laws of each individual state. Generally, a contravention of the applicable by-laws enacted by the relevant local authorities would result in an offence which, upon conviction, shall result a fine not exceeding RM2,000 or to imprisonment for a term not exceeding one (1) year, or to both. Further, certain local authorities may be empowered under their respective by-laws to impose a daily fine for each day or part of a day during which the contravention continues to occur.

Subsequent to the LPD, our Group has procured valid business licences for our operating premises as set out in Section 6.22 of this Prospectus.

**(vii) Food Act 1983**

The Food Act 1983 ("**FA 1983**") operates together with its subsidiary regulations are to protect the public from health hazards and fraudulent activity during the preparation, sale and use of foods. The FA 1983 applies to all foods sold in Malaysia for human consumption, whether locally produced or imported, and includes food additives, nutrient supplements, contaminants, food packaging and containers, food labelling, food sampling procedures, and food irradiation.

It is an offence under the FA 1983 to prepare and sell food that contains substances that are injurious to health or that are unfit for human consumption, which is punishable with a pecuniary fine not exceeding RM100,000 and/or imprisonment term not exceeding 10 years or to both. The MOH is the supervising regulatory authority responsible for ensuring food that is prepared, sold and imported in Malaysia is safe for human consumption. It is authorised, among others, to obtain, inspect and analyse particulars of food ingredients and is given the power to enforce the hygiene and sanitary conditions of food premises and appliances, and accurate labelling and packaging of food.

As at the LPD, our Group has procured the applicable licences from the MOH in respect of our business operations, as set out in Section 6.22 of this Prospectus and have not been issued with any penalties by the MOH pursuant to the FA 1983 and its subsidiary regulations.

**(viii) Federal Agricultural Marketing Authority Act 1965**

The Federal Agricultural Marketing Authority Act 1965 ("**FAMAA 1965**") and its subsidiary regulations serve to regulate the marketing of agricultural produce in Malaysia, including the importing and exporting of agricultural produce. The FAMAA 1965 and its subsidiary legislations also set out the minimum standards in respect of agricultural produce that is sold, distributed, or put up for wholesale in Malaysia, as well as the labelling and packaging requirements for agricultural produce. Our Group has complied with the relevant labelling and packaging requirements during the Financial Years under Review and up to the LPD.

Individuals and companies who engage in the purchase, sale, retail, distribution, or wholesale of agricultural produce are required to ensure that they comply with the provisions of FAMAA 1965 which require, among others, such individual or companies to obtain a licence for such activities from FAMA. Engaging in the purchase, sale, retail, distribution or wholesale of vegetables without obtaining the requisite licence from FAMA is an offence and may result in a pecuniary penalty not exceeding RM25,000 and/or an imprisonment term not exceeding two (2) years, or to both for the offending individual/company, which may vary subject to the severity and number of times that the offence is committed.

As at the LPD, our Group has procured the applicable licences from FAMA in respect of our business operations, as set out in Section 6.22 of this Prospectus and have not been issued with any penalties by FAMA pursuant to the FAMAA 1965 and its subsidiary regulations.

## 6. INFORMATION ON OUR GROUP (Cont'd)

### (ix) Price Control and Anti-Profiteering Act 2011

The Price Control and Anti-Profiteering Act 2011 (“**PCAPA 2011**”) protects consumers in Malaysia against unreasonable increases in prices of goods and services by regulating the prices of goods and charges for services. Under the PCAPA 2011, the Government of Malaysia is authorised to take measures to determine the maximum, minimum, or fixed price for the manufacturing, producing, wholesaling, or retailing of any goods and services.

With respect to food specifically for the fresh vegetables industry, the Government of Malaysia has enacted the SKHMP in order to regulate the pricing of certain essential goods during festive seasons. These essential goods will vary according to the applicable festive season (such as Hari Raya, Chinese New Year, Deepavali, Christmas, Pesta Kaamatan and Hari Gawai), and are deemed as price-controlled goods where the maximum price for such goods will be fixed for a prescribed period of time during the relevant festive season. For the duration of the SKHMP, sellers are required to comply with the maximum selling price for such goods.

A corporate entity who commits an offence under the PCAPA 2011 shall on conviction, be liable to a fine not exceeding RM500,000 for its first offence and to a further fine not exceeding RM1,000,000 for its second offence.

As at the LPD and during the Financial Years Under Review, our Group has complied with the SKHMP during the applicable festive periods and has not been the subject of any fine by the supervising regulatory authority.

### 6.26.2 Singapore

#### (i) Customs Act 1960 (“**CA 1960**”), and Regulation of Imports and Exports Act 1995 (“**RIEA 1995**”)

As a company dealing with import of goods, Topstar is subject to the provisions set out in the CA 1960 and RIEA 1995. In particular, the provisions under Part 2 of the Regulation of Imports and Exports Regulations (“**RIER**”), which is a subsidiary legislation of the RIEA 1995, would apply to Topstar.

Pursuant to Regulation 3(1)(a) of the RIER, no goods shall be imported into Singapore except in accordance with a permit granted by the Director-General. An application for a permit to import any goods shall be made to the Director-General by the importer and in such form and manner as the Director-General may determine. The Director-General may, if he thinks fit, grant any permit to import any goods, and such permit shall be subject to such conditions as the Director-General may impose. Any importer who contravenes Regulation 3(1)(a) of the REIR shall be guilty of an offence punishable under Regulation 45 of the REIR.

Pursuant to Regulation 4(5) of the REIR, a person granted a permit must comply with every condition of the permit imposed by the Director-General. Any person who fails to do so shall be guilty of an offence punishable under Regulation 45 of the REIR.

Pursuant to Regulation 45 of the REIR, any person who is guilty of an offence thereunder shall be liable (i) on first conviction to a fine not exceeding SGD100,000 or three (3) times the value of the goods in respect of which the offence was committed, whichever is the greater, or to imprisonment for a term not exceeding two (2) years or to both; and (ii) on the second or subsequent conviction, to a fine not exceeding SGD200,000 or four (4) times the value of the goods in respect of which the offence was committed, whichever is the greater, or to imprisonment for a term not exceeding three (3) years or to both.

Topstar obtains CCPs as and when required. The CCPs are valid for fixed durations and will be used for clearance of goods at the border checkpoint, and inspection, among other things. We have been the subject of a fine imposed by the SFA in respect of an under declaration of weight of fresh vegetables imported into Singapore in March 2021. Please refer to the notes to Section 6.22 above for further details.

**6. INFORMATION ON OUR GROUP (Cont'd)**

**(ii) CPA 1993, and Control of Plants (Import and Transhipment of Fresh Fruits and Vegetables) Rules (“CPR”)**

As Topstar imports mainly fresh vegetables into Singapore, it is subject to the provisions set out in the CPA 1993, in particular, the provisions under Part 7 of the CPA 1993 relating to licencing and permits.

Pursuant to Section 7(1) of the CPA 1993, a person must not import for sale, supply or distribution or tranship any fresh fruit or vegetable except under and in accordance with the conditions of a licence issued by the Director-General. Any person who contravenes this provision shall be guilty of an offence and shall be liable on conviction to a fine not exceeding SGD10,000 or to imprisonment for a term not exceeding three (3) years or to both.

Pursuant to Section 8(1) of the CPA 1993, a licensee must not import any fresh fruit or vegetable for sale, supply or distribution unless:

- (a) the licensee has obtained a permit from the Director-General in respect of each consignment of fresh fruits or vegetables to be imported by the licensee and the import of such consignment is carried out in accordance with the conditions of the permit;
- (b) the whole consignment conforms to the description contained in the permit;
- (c) the whole consignment does not contain any prohibited pesticide residue, or levels of pesticide residue or toxic chemical residue exceeding the prescribed levels;
- (d) the whole consignment complies with any sanitary standards that the Minister may prescribe;
- (e) the licensee provides the Director-General with satisfactory evidence that the whole consignment complies with paragraphs (c) and (d); and
- (f) the container of the fruits or vegetables constituting the consignment bears the producer’s name and address and such other particulars as may be prescribed.

Pursuant to Regulation 9 of the CPR and for the purposes of Section 8(1)(c) of the CPA 1993, the imported fresh fruits and vegetables must not contain any prohibited pesticide or levels of pesticide residue or toxic chemical residue exceeding the prescribed levels specified in the Food Regulations or recommended in the Joint Food and Agriculture Organisation/World Health Organisation Codex Alimentarius Commission. Any person who is guilty of an offence under the CPR shall be liable on conviction to a fine not exceeding SGD10,000 or to imprisonment for a term not exceeding three (3) years or to both.

As at the LPD, Topstar holds a valid Licence for Import/Transhipment of Fresh Fruits and Vegetables issued by the SFA granted pursuant to Section 7 of the CPA 1993. Please refer to Section 6.22 of this Prospectus for further details of the licence and details on our Group’s past non-compliances.

## 6. INFORMATION ON OUR GROUP (Cont'd)

### (iii) Sale of Food Act 1973, and Food Regulations (“Food Regulations”)

The Food Regulations are a subsidiary legislation to the Sale of Food Act 1973, which is an Act for, among others, regulating food to ensure that food for sale is safe and suitable for human consumption and to promote public health.

Pursuant to Regulation 14(1) of the Food Regulations, no person shall import any food that has not been registered with the Director-General. Imported food is deemed registered if it is imported under a permit to import issued under the REIR and the following particulars appear on the permit to the satisfaction of the Director-General: brand name of the product, or if the product has no brand name at the time of import, the name of the manufacturer of the product or the intended brand name of the product; importer's name and address; product description; country of origin of the product; quantity and units; and arrival date.

Pursuant to Regulation 261 of the Food Regulations, any person who contravenes any of the provisions of the Food Regulations shall be guilty of an offence and shall be liable on conviction to a fine not exceeding SGD1,000 and in the case of a second or subsequent conviction to a fine not exceeding SGD2,000.

Registration with the SFA is required before Topstar may import processed food. As at the LPD, Topstar holds a valid Registration to Import Processed Food Products and Food Appliances. Please refer to Section 6.22 of this Prospectus for further details of the registration.

The above summary does not purport to be an exhaustive description of all laws and regulations of which our Group's business is subject to. In the event of any breach of the relevant laws and regulations governing our Group's business, the imprisonment penalty would likely be imposed on a director of our Group who oversees the business operations.

### 6.26.3 Compliance with laws, regulations, rules or requirements

As at the LPD, save for the past non-compliances incident as set out in Section 6.22 of this Prospectus, there is no breach of laws, regulations, rules or requirements governing the conduct of our business and environmental issues which may materially affect our Group's business or operations and usage of properties owned by our Group as set out in Section 6.25.1 of this Prospectus. Please refer to the notes to Section 6.22 of this Prospectus for further details of our Group's past non-compliances with governing laws, regulations, rules or requirements.

## 6.27 ENVIRONMENTAL, SOCIAL AND GOVERNANCE

To this end, our Group has implemented, and are in the midst of implementing, the following practices:

### (a) Environmental

Our Group is a proponent of adopting sustainable practices in response to the environmental issues.

We aspire to adhere to environmentally friendly practices in our management of resources and pollution generated from our business activities. In managing environmental sustainability matters, we will focus on, among others, the following:

- (i) we have installed a solar photovoltaic system at our Senai Centralised Distribution Centre to supplement our power supply requirements. The consideration of different primary energy sources is important to our Group from the perspective of the end-to-end cost of power generation, sustainability of power supply and our impact on the environment in order to reduce our carbon footprint in line with the Government of Malaysia's targets for decarbonisation in the electricity sector;

**6. INFORMATION ON OUR GROUP (Cont'd)**

- (ii) establishing a specified area for the storage of organic waste generated during the processing of fresh vegetables, which includes vegetable scraps, trimmings and vegetables damaged in transit. We have engaged with waste collectors who follow a predetermined schedule to gather and process the organic waste produced. In addition, we also encourage local growers to collect organic waste from our distribution centres to be processed and composted for their own use. Composting is the method of decomposing this organic waste into a valuable soil amendment rich in nutrients. Additionally, certain organic waste resulting from the supply of fresh vegetables can serve as animal feed or be repurposed as either animal feed or fertilizer;
- (iii) we aim to diminish our use of non-biodegradable materials in our packaging processes and repurpose used packaging as cushioning material within boxes for delivery. We also endeavour to recycle our packaging. Our choices encompass the adoption of environmentally friendly alternatives such as biodegradable plastics, and recyclable and/or compostable packaging materials;
- (iv) implementing a paperless initiative, our Group is transitioning to digitalize our marketing materials, such as catalogues and brochures, to minimize paper printing. Additionally, in our office administrative operations, we discourage unnecessary printing in our operations and promoting the use of digital documents whenever possible and practical, encouraging all employees to collect recyclable waste in the office; and
- (v) reuse of pallets to optimize our warehouse space efficiently. This initiative serves to not only reduce waste but also achieve cost savings and minimize our environmental footprint. By extending the lifespan of our pallets, we seek to contribute to the conservation of natural resources and decrease the energy and emissions associated with pallet production and disposal.

**(b) Social**

The safety and health of our employees are our priorities, specifically on mitigating any safety and health risks at our workplace in order to create a safe environment for our employees to enhance their productivity and performance. In managing social sustainability matters, we will focus on, among others, the following:

- (i) we are committed to safeguarding the well-being and health of all our workers, while employers share the responsibility of ensuring that our Group remains free from any factors that could pose risks to health and safety. This commitment aligns with the OSHA 1994 and the FAMA 1965. Our Safety and Health policies encompass various critical aspects which include a safe work environment, equipment and material safety; hazard elimination, employee training; safe work methods, safety priority; and legal compliance;
- (ii) practice gender equality and cultural diversity with equal opportunities regardless of one's age, gender, ethnicity, religion, nationality, disability, sexual orientation or any other relevant characteristics for employment, career development and advancement;
- (iii) prevent any form of misconduct and improper behaviour, such as workplace bullying, discrimination based on individual differences, discriminatory and sexual harassment, intimidation and victimisation; and
- (iv) empowering our workforce by supporting their personal and professional growth. We seek to upskill our employees through training programs such as safety training, production techniques, leadership skills and self-development to prepare them for career advancement opportunities.



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**6. INFORMATION ON OUR GROUP (Cont'd)**

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In addition, our Group is also a strong proponent of serving the needs of the physical and economically disadvantaged in our surrounding community. During the Financial Years Under Review, we have undertaken the following social activities:

- (1) donated fresh vegetables and mattresses to the Handicapped and Mentally Disable Children Association of Johor Bahru and Association for Children of God, located in Kulai and Johor Bahru, respectively. This initiative aims to improve the quality of life for residents, particularly children with disabilities, by enhancing their living conditions with essential bedding and providing them with nutritious fresh vegetables.
- (2) donated fresh vegetables to local schools as part of the schools' fundraising activities.

The above activities demonstrate our commitment to supporting vulnerable communities and promoting physical well-being through access to healthy food.

**(c) Governance**

Our Group is committed to conduct our business ethically and in compliance with all relevant laws and regulations as disclosed in Section 6.26 of this Prospectus. Our Board is committed to achieving and sustaining high standards of corporate governance in accordance with the MCCG, such as ethical behaviour, accountability, transparency and sustainability in order to promote the prosperity of our business and corporate accountability. Our ultimate objective is to realise long-term shareholder value while taking into account the interest of our stakeholders. As such, our Board has adopted the recommendations under the MCCG to ensure our Board's oversight over our Group's governance structures.

Further, our Group will seek to manage our Group's governance sustainability matters as follows:

- (i) upholding exemplary levels of business ethics, integrity, and corporate governance practices;
- (ii) developing and continually enhancing appropriate governance structures and processes;
- (iii) adhering to all relevant laws and regulations pertaining to corporate governance; and
- (iv) developing policies and procedures to ensure the sufficiency and integrity of our Group's internal control system.

In addition, our Group adopted zero-tolerance policy towards bribery, and as such have put in place the policies and procedures to ensure strict compliance with the Malaysian Anti-Corruption Commission Act 2009 and its amendments. In relation to our Group's risk management, our Group has put in place a Risk Management and Internal Control Framework to monitor closely on the risk associated with our objectives and has also put in place a Whistleblowing Policy to help promote and ensure fairness in business dealings.