RED SENA BERHAD
(Company No.: 1109132-P)
(Incorporated in Malaysia under the Companies Act, 1965)

RedSena BERHAD

PROSPECTUS

RED SENA BERHAD

(Company No: 1109132-P)
(Incorporated in Malaysia under the Companies Act, 1965)

INITIAL PUBLIC OFFERING OF 800,000,000 NEW ORDINARY SHARES OF RM0.01 EACH IN RED SENA BERHAD ("PUBLIC ISSUE SHARES") TOGETHER WITH 800,000,000 FREE DETACHABLE WARRANTS ("WARRANTS") ON THE BASIS OF ONE (1) WARRANT FOR EVERY ONE (1) PUBLIC ISSUE SHARE SUBSCRIBED, AT AN ISSUE PRICE OF RM0.50 PER PUBLIC ISSUE SHARE COMPRISING:

- 80,000,000 PUBLIC ISSUE SHARES TOGETHER WITH 80,000,000 WARRANTS BY WAY OF BALLOTING TO THE MALAYSIAN PUBLIC; AND
- 720,000,000 PUBLIC ISSUE SHARES TOGETHER WITH 720,000,000 WARRANTS BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS,

SUBJECT TO CLAWBACK AND REALLOCATION PROVISIONS, IN CONJUNCTION WITH THE LISTING OF RED SENA BERHAD ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD.

Principal Adviser, Joint Managing Underwriter, Joint Underwriter and Joint Placement Agent

RHB Investment Bank Berhad
(Company No. 19663-P)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Joint Managing Underwriter, Joint Underwriter and Joint Placement Agent

CIMB Investment Bank Berhad
(Company No. 18417-M)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Joint Underwriters

AFFIN Hwang Investment Bank Berhad
(Company No. 14389-U)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

AmInvestment Bank Berhad
(Company No. 23742-V)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Custodian

Maybank Trustees Berhad
(Company No. 5004-P)

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

THERE ARE CERTAIN RISK FACTORS WHICH PROSPECTIVE INVESTORS SHOULD CONSIDER. PLEASE REFER TO SECTION 4 OF THIS PROSPECTUS FOR "RISK FACTORS".

WE ARE A SPECIAL PURPOSE ACQUISITION COMPANY. WE CURRENTLY HAVE NO OPERATIONS OR INCOME GENERATING BUSINESS. INVESTING IN OUR SECURITIES MAY BE OF HIGH INVESTMENT RISK.

THIS PROSPECTUS IS NOT TO BE DISTRIBUTED OUTSIDE MALAYSIA.

LISTING SOUGHT: MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

THIS PROSPECTUS IS DATED 18 NOVEMBER 2015

ALL DEFINED TERMS USED IN THIS PROSPECTUS ARE DEFINED UNDER "PRESENTATION OF FINANCIAL AND OTHER INFORMATION", "DEFINITIONS" AND "GLOSSARY OF TECHNICAL TERMS" COMMENCING ON PAGES (IX), (XIII) AND (XX) RESPECTIVELY.

RESPONSIBILITY STATEMENTS

OUR DIRECTORS AND PROMOTERS HAVE SEEN AND APPROVED THIS PROSPECTUS. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THIS PROSPECTUS. HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THAT THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS WHICH, IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS PROSPECTUS FALSE OR MISLEADING.

RHB INVESTMENT BANK BERHAD, BEING OUR PRINCIPAL ADVISER, JOINT MANAGING UNDERWRITER, JOINT UNDERWRITER AND JOINT PLACEMENT AGENT FOR OUR IPO 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 ON OUR IPO.

STATEMENTS OF DISCLAIMER

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

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE IN THIS PROSPECTUS BY US 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.

YOU ARE ADVISED TO MAKE YOUR OWN INDEPENDENT ASSESSMENT OF OUR COMPANY AND YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF OUR IPO AND THE INVESTMENT IN OUR COMPANY. IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

OUR COMPANY HAS OBTAINED THE APPROVAL FROM BURSA SECURITIES FOR OUR ADMISSION AND THE LISTING OF AND QUOTATION FOR OUR SHARES, WARRANTS AND NEW SHARES TO BE ISSUED PURSUANT TO THE EXERCISE OF THE WARRANTS BEING OFFERED ON THE MAIN MARKET OF BURSA SECURITIES. ADMISSION TO THE OFFICIAL LIST OF BURSA SECURITIES IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF OUR IPO, OUR COMPANY AND OUR SECURITIES.

A COPY OF THIS PROSPECTUS AND THE ACCOMPANYING APPLICATION FORM, HAVE ALSO BEEN LODGED WITH THE COMPANIES COMMISSION OF MALAYSIA, WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

THIS PROSPECTUS CAN BE VIEWED OR DOWNLOADED FROM BURSA SECURITIES' WEBSITE AT www.bursamalaysia.com.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS PROSPECTUS IS DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING OUR IPO FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

YOU SHOULD NOTE THAT THE AGREEMENT BY THE JOINT MANAGING UNDERWRITERS AND JOINT UNDERWRITERS NAMED IN THIS PROSPECTUS TO UNDERWRITE OUR SHARES IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF OUR IPO.

THIS PROSPECTUS HAS BEEN PREPARED IN THE CONTEXT OF AN IPO UNDER THE LAWS OF MALAYSIA. IT DOES NOT COMPLY WITH THE LAWS OF ANY JURISDICTION OTHER THAN MALAYSIA AND HAS NOT BEEN AND WILL NOT BE LODGED, REGISTERED OR APPROVED PURSUANT TO OR UNDER ANY APPLICABLE SECURITIES OR LEGISLATION OR BY ANY REGULATORY AUTHORITY OF ANY JURISDICTION OTHER THAN MALAYSIA.

THIS PROSPECTUS IS PUBLISHED SOLELY IN CONNECTION WITH OUR IPO. OUR PUBLIC ISSUE SHARES AND WARRANTS BEING OFFERED IN OUR IPO ARE OFFERED SOLELY ON THE BASIS OF THE INFORMATION CONTAINED AND REPRESENTATIONS MADE IN THIS PROSPECTUS. OUR COMPANY, THE PROMOTERS, PRINCIPAL ADVISER, JOINT MANAGING UNDERWRITERS, JOINT UNDERWRITERS AND JOINT PLACEMENT AGENTS HAVE NOT AUTHORISED ANYONE TO PROVIDE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS PROSPECTUS. ANY INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY OUR COMPANY, THE PROMOTERS, PRINCIPAL ADVISER, JOINT MANAGING UNDERWRITERS, JOINT UNDERWRITERS, JOINT PLACEMENT AGENTS, ANY OF THEIR RESPECTIVE DIRECTORS, OR ANY OTHER PERSONS INVOLVED IN OUR IPO.

THE DISTRIBUTION OF THIS PROSPECTUS AND OUR IPO ARE SUBJECT TO THE LAWS OF MALAYSIA. THIS PROSPECTUS WILL NOT BE DISTRIBUTED OUTSIDE MALAYSIA EXCEPT INSOFAR AS IT IS PART OF THE OFFERING MEMORANDUM DISTRIBUTED TO FOREIGN AND SELECTED INVESTORS OUTSIDE MALAYSIA IN CONNECTION WITH OUR IPO. OUR COMPANY, THE PROMOTERS, PRINCIPAL ADVISER, JOINT MANAGING UNDERWRITERS, JOINT UNDERWRITERS AND JOINT PLACEMENT AGENTS HAVE NOT AUTHORISED AND TAKE NO RESPONSIBILITY FOR THE DISTRIBUTION OF THIS PROSPECTUS OUTSIDE MALAYSIA. NO ACTION HAS BEEN TAKEN TO PERMIT ANY OFFERING OF OUR PUBLIC ISSUE SHARES TOGETHER WITH ATTACHED WARRANTS IN ANY JURISDICTION OTHER THAN MALAYSIA. ACCORDINGLY, THIS PROSPECTUS MAY NOT BE USED FOR THE PURPOSE OF AND DOES NOT CONSTITUTE AN OFFER FOR SUBSCRIPTION OR PURCHASE OR INVITATION TO SUBSCRIBE FOR OR PURCHASE OF OUR PUBLIC ISSUE SHARES TOGETHER WITH ATTACHED WARRANTS UNDER OUR IPO IN ANY JURISDICTION IN WHICH SUCH OFFER OR INVITATION IN ANY JURISDICTION OR IN ANY CIRCUMSTANCES IN WHICH SUCH AN OFFER IS NOT AUTHORISED OR LAWFUL OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THIS PROSPECTUS AND THE SALE OF OUR PUBLIC ISSUE SHARES TOGETHER WITH ATTACHED WARRANTS IN OTHER JURISDICTIONS MAY BE RESTRICTED BY LAW. PERSONS WHO MAY BE IN POSSESSION OF THIS PROSPECTUS ARE REQUIRED TO INFORM THEMSELVES OF AND TO OBSERVE SUCH RESTRICTIONS.

ELECTRONIC PROSPECTUS

THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE COPY OF THIS PROSPECTUS REGISTERED WITH THE SC ARE THE SAME. YOU MAY VIEW OR DOWNLOAD A COPY OF THE ELECTRONIC PROSPECTUS FROM THE WEBSITE OF BURSA SECURITIES AT www.bursamalaysia.com. YOU MAY OBTAIN A COPY OF THE ELECTRONIC PROSPECTUS FROM THE WEBSITE OF RHB BANK BERHAD AT www.rhbgroup.com, THE WEBSITE OF AFFIN BANK BERHAD AT www.affinonline.com, THE WEBSITE OF AFFIN HWANG INVESTMENT BANK BERHAD AT trade.affinhwang.com, THE WEBSITE OF CIMB BANK BERHAD AT www.cimbclicks.com.my, THE WEBSITE OF CIMB INVESTMENT BANK BERHAD AT www.eipocimb.com, THE WEBSITE OF MALAYAN BANKING BERHAD AT www.maybank2u.com.my AND THE WEBSITE OF PUBLIC BANK BERHAD AT www.pbebank.com.

YOU ARE ADVISED THAT THE INTERNET IS NOT A FULLY SECURE MEDIUM. YOUR INTERNET SHARE APPLICATION MAY BE SUBJECT TO RISKS OF ELECTRICAL, ELECTRONIC, TECHNICAL AND COMPUTER-RELATED FAULTS AND BREAKDOWNS, FAULTS WITH COMPUTER SOFTWARE, PROBLEMS OCCURING DURING DATE TRANSMISSION, COMPUTER SECURITY THREATS SUCH AS VIRUSES, HACKERS AND CRACKERS, FIRES, ACTS OF GOD, AND OTHER EVENTS BEYOND THE CONTROL OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS. THESE RISKS CANNOT BE BORNE BY THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS. IF YOU DOUBT THE VALIDITY OR INTEGRITY OF AN ELECTRONIC PROSPECTUS, YOU SHOULD IMMEDIATELY REQUEST FROM OUR COMPANY, OUR PRINCIPAL ADVISER OR THE ISSUING HOUSE, A PAPER/ PRINTED COPY OF THIS PROSPECTUS. IF THERE IS ANY DISCREPANCY BETWEEN THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE PAPER/ PRINTED COPY OF THIS PROSPECTUS, THE CONTENTS OF THE PAPER/ PRINTED COPY OF THIS PROSPECTUS WHICH ARE IDENTICAL TO THE COPY OF THIS PROSPECTUS REGISTERED WITH THE SC 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 DO NOT ENDORSE AND ARE NOT AFFILIATED IN ANY WAY TO THE THIRD PARTY INTERNET SITES. ACCORDINGLY, WE ARE NOT RESPONSIBLE FOR THE AVAILABILITY OF OR THE CONTENT OR ANY DATA, FILES OR OTHER MATERIAL PROVIDED ON THE THIRD PARTY INTERNET SITES. YOU BEAR ALL RISKS ASSOCIATED WITH THE ACCESS TO OR USE OF THE THIRD PARTY INTERNET SITES;

(II) WE ARE NOT RESPONSIBLE FOR THE QUALITY OF PRODUCTS OR SERVICES IN THE THIRD PARTY INTERNET SITES, PARTICULARLY IN FULFILLING ANY OF THE TERMS OF ANY OF YOUR AGREEMENTS WITH THE THIRD PARTY INTERNET SITES. WE ARE ALSO NOT RESPONSIBLE FOR ANY LOSS OR 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, FILE OR OTHER MATERIAL PROVIDED BY SUCH PARTIES; AND

(III) ANY DATA, FILE OR OTHER MATERIAL DOWNLOADED FROM THE THIRD PARTY INTERNET SITES IS DONE AT YOUR OWN DISCRETION AND RISK. WE 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 INSTITUTION, YOU ARE ADVISED THAT:

(I) THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS ONLY LIABLE IN RESPECT OF THE INTEGRITY OF THE CONTENTS OF AN ELECTRONIC PROSPECTUS, TO THE EXTENT OF THE CONTENT OF THE ELECTRONIC PROSPECTUS ON THE WEB SERVER OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION WHICH MAY BE VIEWED VIA YOUR WEB BROWSER OR OTHER RELEVANT SOFTWARE. THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS NOT RESPONSIBLE FOR THE INTEGRITY OF THE CONTENTS OF AN ELECTRONIC PROSPECTUS WHICH HAS BEEN OBTAINED FROM THE WEB SERVER OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION AND SUBSEQUENTLY COMMUNICATED OR DISSEMINATED IN ANY MANNER TO YOU OR OTHER PARTIES; AND

(II) WHILE ALL REASONABLE MEASURES HAVE BEEN TAKEN TO ENSURE THE ACCURACY AND RELIABILITY OF THE INFORMATION PROVIDED IN AN ELECTRONIC PROSPECTUS, THE ACCURACY AND RELIABILITY OF AN ELECTRONIC PROSPECTUS CANNOT BE GUARANTEED BECAUSE THE INTERNET IS NOT A FULLY SECURE MEDIUM.

THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS NOT LIABLE (WHETHER IN TORT OR CONTRACT OR OTHERWISE) FOR ANY LOSS, DAMAGE OR COSTS, 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 WITH WEB BROWSERS OR OTHER RELEVANT SOFTWARE, ANY FAULT ON YOUR OR ANY THIRD PARTY'S PERSONAL COMPUTER, OPERATING SYSTEM OR OTHER SOFTWARE, VIRUSES OR OTHER SECURITY THREATS, UNAUTHORISED ACCESS TO INFORMATION OR SYSTEMS IN RELATION TO THE WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION, 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 indicative dates:

Events	Indicative dates
Opening of the Application (as defined herein)	18 November 2015
Closing of the Application	27 November 2015
Balloting of the Applications	1 December 2015
Allotment of our Public Issue Shares and Warrants (as defined herein) to successful applicants	4 December 2015
Listing (as defined herein)	10 December 2015

Save for the opening date of the Application, these dates are tentative and are subject to changes which may be necessary to facilitate the implementation procedures.

Applications will be accepted from 10.00 a.m. on 18 November 2015 and will remain open until 5.00 p.m. on 27 November 2015 or such later date or dates as our Board and the Joint Managing Underwriters may decide in their absolute discretion.

If they decide to extend the closing date for the Application, the dates for the balloting of the Applications, allotment of our Public Issue Shares and Warrants to successful applicants and our Listing will be extended accordingly. Any extension will be announced in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references to "**our Company**" or "**the Company**" or "**Red Sena**" in this Prospectus are to Red Sena Berhad and references to "**we**", "**us**", "**our**", and "**ourselves**" are to our Company. Unless the context otherwise requires, references to "**Management Team**" are to the members of our Management Team as set out in Section 8.2 of this Prospectus as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Board and Management Team.

This Prospectus contains references to the completion of our Qualifying Acquisition (as defined herein). As we are a SPAC, the completion of our Qualifying Acquisition is a significant milestone for our continuity. Investors should note that under the Equity Guidelines, the completion of our Qualifying Acquisition is deemed as the point of time whereupon all the conditions precedent set out in the sale and purchase agreement governing our Qualifying Acquisition have been fulfilled. Therefore, in line with the Equity Guidelines, all references in this Prospectus to the completion of our Qualifying Acquisition refer to the point in time whereupon all the conditions precedent set out in the sale and purchase agreement governing our Qualifying Acquisition have been fulfilled or waived (as the case may be), unless otherwise indicated.

In this Prospectus, references to the "**Government**" are to the Government of Malaysia; references to "**Ringgit Malaysia**", "**RM**" and "**sen**" are to the lawful currency of Malaysia. Any discrepancies in the tables between the amounts listed and the totals in this Prospectus are due to rounding. Other abbreviations and acronyms used herein are defined in the "**Definitions**" and "**Glossary of Technical Terms**" sections. Words denoting the singular only shall include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations.

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

All reference to dates and times are reference to dates and times in Malaysian time, unless otherwise stated.

This Prospectus includes statistical data provided by us and various third parties and cites third-party projections regarding growth and performance of the industry in which we target to operate. This data is taken or derived from information published by industry sources. In each such case, the source is stated in this Prospectus, provided that where no source is stated, it can be assumed that the information originated from us. In particular, certain information in this Prospectus is extracted or derived from the IMR Report (as defined herein) which is included in Section 5 of this Prospectus, and which was prepared by Vital Factor Consulting Sdn. Bhd. ("**Vital Factor**") whom we have appointed to provide an independent market and industry review for inclusion in this Prospectus. In compiling their data for the review, Vital Factor had relied on industry sources, published materials, its own private databanks and direct contacts within the industry. The information on the industry as contained in this Prospectus and the other statistical data and projections cited in this Prospectus is intended to help prospective investors understand the major trends in the industry in which we target to acquire. However, our Company, Directors, Management Team, and Promoters and the Principal Adviser, Joint Managing Underwriters, Joint Underwriters and Joint Placement Agents, and their respective advisers have not independently verified these figures.

Neither we nor our Directors and Management Team, and the Principal Adviser, Joint Managing Underwriters, Joint Underwriters and Joint Placement Agents, and our respective advisers make any representation as to the correctness, accuracy or completeness of such data and accordingly prospective investors should not place undue reliance on the statistical data cited in this Prospectus. Similarly, third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. No assurances are or can be given that estimated figures will be achieved, and you should not place undue reliance on the third-party projections cited in this Prospectus.

References to the "**LPD**" in this Prospectus are to 22 October 2015, which is the latest practicable date for certain information to be obtained and disclosed in this Prospectus prior to the registration of this Prospectus with the SC.

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FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements and information. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, plans and objectives of our Company for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, our performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our Company's current view with respect to future events and do not guarantee of future performance. Forward-looking statements can be identified by the use of forward-looking terminology such as the words "expect", "believe", "plan", "intend", "estimate", "anticipate", "aim", "forecast", "may", "will", "would", and "could", or similar expressions and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:

(i) our prospects for completing a Qualifying Acquisition;

(ii) our business strategies;

(iii) our plans and objectives for future operations;

(iv) our future financial position and financial plans;

(v) the regulatory environment and the effects of future regulation; and

(vi) our future earnings, cash flows and liquidity.

Following the completion of our Qualifying Acquisition, if any, our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors, some of which may be beyond our control or anticipation, including, without limitation:

(i) the general economic, business, social, political and investment environment in Malaysia and globally;

(ii) government policy, legislation, regulation, regulatory issues governing the F&B industry and its related liabilities;

(iii) competition in the F&B industry and our ability to anticipate and respond to competition;

(iv) our ability to implement our growth strategy;

(v) our ability to meet customer demand;

(vi) our ability to maintain our reputation;

(vii) fluctuations in the raw material and ingredient prices;

(viii) interest rates, foreign exchanges rates and tax rates;

(ix) significant capital expenditure requirements; and

(x) any other factors may or may not be within our control.

Additional factors that could cause our actual performance or achievements to differ materially include, but are not limited to those discussed in Section 4 of this Prospectus entitled "Risk Factors". We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the date of this Prospectus.

FORWARD-LOOKING STATEMENTS *(Cont'd)*

Save as required by Section 238 of the Capital Markets and Services Act, 2007 and Paragraph 1.02 of Part I, Division 6 of the Prospectus Guidelines (Supplementary and Replacement Prospectus), we expressly disclaim any obligation or undertaking to release publicly any update or revision to any forward-looking statement contained in this Prospectus to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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DEFINITIONS

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

"Act"	:	Companies Act, 1965
"ADA"	:	Authorised Depository Agent
"Admission"	:	Admission of our Company to the Official List of the Main Market of Bursa Securities
"AFFIN Hwang"	:	AFFIN Hwang Investment Bank Berhad
"AGM"	:	Annual general meeting
"AmInvestment"	:	AmInvestment Bank Berhad
"Application(s)"	:	Application for our Public Issue Shares by way of Application Form, Electronic Share Application or Internet Share Application
"Application Form"	:	Printed application form for the application for our Public Issue Shares accompanying this Prospectus
"Articles of Association"	:	Articles of Association of our Company
"ASEAN"	:	Association of Southeast Asian Nations
"ATM"	:	Automated teller machine
"Authorised Financial Institutions"	:	Authorised financial institutions participating in the Internet Share Application in respect of the payments for our Public Issue Shares
"Authorised Person"	:	One (1) or more persons that our Company shall from time to time appoint or remove by mandate given under our Board's resolution to give relevant instructions and notifications in writing to the Custodian pursuant to the Custodian Agreement
"Board"	:	Board of Directors of our Company
"Bumiputera"	:	Malays, aborigines and the natives of Sabah and Sarawak as specified in the Federal Constitution of Malaysia
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd
"Bursa Securities"	:	Bursa Malaysia Securities Berhad
"CAGR"	:	Compound annual growth rate
"Cash Trust Account"	:	A trust account maintained with a licensed bank or merchant bank (as defined in the Financial Services Act 2013) or licensed Islamic bank (as defined in the Islamic Financial Services Act 2013), by the Custodian to hold and manage the Cash Trust Assets on behalf of our Company, for purposes of and in accordance with the Equity Guidelines
"Cash Trust Assets"	:	All cash monies derived from or attributable to our IPO Trust Proceeds and (if applicable) the Subsequent Rights Issue Trust Proceeds

"CDS"	:	Central Depository System
"CEO"	:	Chief Executive Officer
"CFO"	:	Chief Financial Officer
"CIMB"	:	CIMB Investment Bank Berhad
"CMSA"	:	Capital Markets and Services Act, 2007
"Cornerstone Investors"	:	Collectively, Dato' Hew Han Seng, AFFIN Hwang Asset Management Berhad, Corston-Smith Asset Management Sdn Bhd, Fortress Capital Asset Management (M) Sdn Bhd, Maybank Asset Management Sdn Bhd, Pacific Straits Holdings Ltd, RHB Asset Management Sdn Bhd and UOB Asset Management (Malaysia) Berhad
"CSO"	:	Chief Strategy Officer
"Custodian"	:	Maybank Trustees Berhad
"Custodian Agreement"	:	Custodian agreement dated 22 October 2015 entered into between our Company and the Custodian for the provision of custodian services by the Custodian to our Company in respect of the funds to be held in our Cash Trust Account for an annual administration fee of RM40,000 to be fully paid in cash
"Deed Poll"	:	Deed poll dated 22 October 2015 constituting our Warrants, as approved by our Company
"Derivative Assets"	:	Securities, rights, benefits, advantages, dividends, interest, accretions or other property whether of a capital or income nature accruing, offered, issued or deriving at any time by way of dividend, interest, bonus, redemption, exchange, purchase, substitution, conversion, consolidation, sub-division, preference option or otherwise in connection with, or attributable to, any of the Trust Property (including, but not limited to, any part thereof)
"Director"	:	Director of our Company and shall have the meaning given in Section 4 of the Act
"Dissenting Shareholders"	:	Shareholders who vote against our Qualifying Acquisition at the EGM to be convened to consider our Qualifying Acquisition
"EGM"	:	Extraordinary general meeting
"Electronic Prospectus"	:	A copy of this Prospectus that is issued, circulated or disseminated via the internet, and/or an electronic storage medium, including but not limited to compact disc (read-only-memory) *(also known as "**CD-ROMs**")*
"Electronic Share Application"	:	Application for our Public Issue Shares through a Participating Financial Institution's ATM
"Equity Guidelines"	:	Equity Guidelines issued by the SC
"FPE"	:	Financial period ended
"FYE"	:	Financial year ended

"GDP"	:	Gross domestic product
"Government"	:	Government of Malaysia
"IMR Report"	:	Independent Assessment of the Processed F&B Industry in ASEAN countries prepared by Vital Factor
"Internet Participating Financial Institutions"	:	Participating financial institutions for the Internet Share Application as set out in Section 14 of this Prospectus
"Initial Subscriber Shares"	:	The 200 Shares being the initial subscriber shares held by Raintree as at the LPD
"Internet Share Application"	:	Application for our Public Issue Shares through an Internet Participating Financial Institution
"IPO"	:	Initial public offering of 800,000,000 Public Issue Shares together with 800,000,000 Warrants attached on the basis of one (1) Warrant for every one (1) Public Issue Share, at the Issue Price
"IPO Investors"	:	Investors who subscribe for the Public Issue Shares
"IPO Trust Proceeds"	:	92.00% of the gross proceeds raised by our Company from our IPO
"IRR"	:	Internal rate of return
"Issue Price"	:	RM0.50 per Public Issue Share
"Issuing House" or "MIH"	:	Malaysian Issuing House Sdn Bhd
"Joint Managing Underwriters" and "Joint Placement Agents"	:	RHB and CIMB, collectively
"Joint Underwriters"	:	RHB, CIMB, AFFIN Hwang and AmInvestment, collectively
"Liquidation Amount"	:	Amount held in our Cash Trust Account, net of any taxes payable and direct expenses related to the Liquidation Distribution, including any profit, interest, dividend and/or income earned from the Permitted Investments
"Liquidation Distribution"	:	Return of the Liquidation Amount to the relevant shareholders in the event that our Company does not complete a Qualifying Acquisition within the Permitted Timeframe or our Company is delisted from Bursa Securities prior to the expiry of the Permitted Timeframe
"Listing"	:	Listing of and quotation for our entire issued and paid-up ordinary share capital together with our Warrants on the Main Market of Bursa Securities
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	22 October 2015, being the latest practicable date prior to the registration of this Prospectus
"Management Team"	:	Management team of our Company, comprising Tan Eng Guan, Dato' Tan Ang Meng, Tan Sri Dato' Sri Koh Kin Lip, Ismail Bin Abd Halim, Yoong Kah Yin and Ong Kuee Hwa as set out in Section 8.2 of this Prospectus

"Market Day"	:	A day when Bursa Securities is open for securities trading
"Master Cornerstone Placement Agreement"	:	Master cornerstone placement agreement dated 22 October 2015 entered into between our Company, the Joint Placement Agents and the Cornerstone Investors in respect of an aggregate of 234,800,000 Public Issue Shares comprising part of the Placement Portion
"Memorandum"	:	Memorandum of Association of our Company
"MITI"	:	Ministry of International Trade and Industry, Malaysia
"M&A"	:	Mergers and acquisitions
"NA"	:	Net assets
"NL"	:	Net liabilities
"Non-Cash Trust Assets"	:	All the properties, rights, capital and income (other than Cash Trust Assets) attributable to, or derived from, our IPO Trust Proceeds and (if applicable), the Subsequent Rights Issue Trust Proceeds
"Non-Entitlement Obligations"	:	Obligation on Raintree and our Management Team (including, where applicable, persons connected to them) to not participate in our Qualifying Acquisition Share Repurchase and the Liquidation Distribution
"Non-Participation Obligations"	:	Comprising the obligation on Raintree and our Management Team (including, where applicable, persons connected to them) to abstain from voting on a resolution approving our Qualifying Acquisition
"Official List"	:	A list specifying all securities listed on the Main Market of Bursa Securities
"Participating Financial Institution(s)"	:	Participating financial institution(s) for the Electronic Share Applications as set out in Section 14 of this Prospectus
"PAT"	:	Profit after taxation
"Permitted Investments"	:	Such investments as may be permitted from time to time under the Equity Guidelines to be undertaken by the Custodian in respect of the Cash Trust Assets
"Permitted Timeframe"	:	36 months from the date of Listing
"Placement Agreement"	:	Placement agreement to be entered into between our Company and the Joint Placement Agents in respect of the Placement Portion
"Placement Portion"	:	720,000,000 Public Issue Shares together with 720,000,000 Warrants, representing approximately 72.00% of our enlarged issued and paid-up share capital which will be made available by way of private placement to selected investors
"PPP"	:	Purchasing power parity
"Promoters"	:	Collectively, Raintree and our Management Team who are involved in making strategic decisions in our Company
"Prospectus"	:	This Prospectus dated 18 November 2015 issued by our Company in respect of our IPO

"Prospectus Guidelines"	:	Prospectus Guidelines – Division 1: Equity issued by the SC
"Public Issue Shares"	:	New Shares to be issued pursuant to our IPO subject to the terms and conditions of this Prospectus
"Qualifying Acquisition"	:	One (1) or more initial acquisition of assets and/or business by our Company which has an aggregate fair market value equal to at least 80.00% of the aggregate amount then in our Cash Trust Account, such acquisition(s) being in line with the business strategies of our Company, as set out in Section 7 of this Prospectus
"Qualifying Acquisition Share Repurchase"	:	Repurchase by our Company of Shares held by the Dissenting Shareholders (if any) in the event our Qualifying Acquisition is completed within the Permitted Timeframe
"Raintree"	:	Raintree F&B Sdn Bhd
"Raintree Redeemable Preference Shares Subscription Agreement"	:	Redeemable preference shares subscription agreement dated 13 October 2014 entered into amongst the redeemable preference shareholders of Raintree and Raintree which gives effect to the intentions and objectives of the redeemable preference shareholders of Raintree and regulates their relationship as redeemable preference shareholders of Raintree, as amended by the supplemental agreement dated 15 July 2015
"Raintree Share"	:	Ordinary share of RM0.10 each in Raintree
"Raintree Shareholders' Subscription Agreement"	:	Shareholders' subscription agreement dated 13 October 2014 entered into amongst the shareholders of Raintree and Raintree which gives effect to the intentions and objectives of the shareholders of Raintree and regulates their relationship as shareholders of Raintree, as amended by the supplemental agreement dated 15 July 2015
"Red Sena" or the "Company"	:	Red Sena Berhad
"Red Sena Subscription Agreement"	:	Share subscription agreement dated 14 October 2014 entered into between our Company and Raintree for the subscription of 200,000,000 Shares at a subscription price of RM0.05 per Share by Raintree, as amended by the supplemental agreement dated 7 October 2015
"Retail Portion"	:	80,000,000 Public Issue Shares together with 80,000,000 Warrants, representing approximately 8.00% of our enlarged issued and paid-up share capital which will be made available by way of balloting to the Malaysian public, of which 50.00% will be set aside strictly for Bumiputera investors
"Retail Underwriting Agreement"	:	Conditional retail underwriting agreement dated 22 October 2015 between our Company, the Joint Managing Underwriters and Joint Underwriters to underwrite 80,000,000 Public Issue Shares each attached with a Warrant which are available for application by the Malaysian public at an underwriting commission to be paid in cash as set out in Section 3.11.3 of this Prospectus
"RHB" or "Principal Adviser" or "Joint Managing Underwriter"	:	RHB Investment Bank Berhad

"Rules of the Depository"	:	Rules of Bursa Depository as issued pursuant to the SICDA
"SC"	:	Securities Commission Malaysia
"Shares Moratorium"	:	Moratorium on Red Sena Shares held by our Management Team via Raintree as at the date of Listing. Raintree is allowed to sell, transfer, assign or otherwise dispose of the Shares after the following events: (a) 36 months after the completion of our Qualifying Acquisition; and (b) our Qualifying Acquisition has achieved an accumulated audited PAT attributable to Red Sena of at least RM107 million over full financial years commencing after the completion of our Qualifying Acquisition
"Share(s)" or "Red Sena Share(s)"	:	Ordinary share of RM0.01 each in our Company
"SICDA"	:	The Securities Industry (Central Depositories) Act, 1991
"SPAC"	:	Special purpose acquisition company as defined in Chapter 2 of the Equity Guidelines
"SPAC Moratorium"	:	Shares Moratorium and Warrants Moratorium, collectively
"Subsequent Rights Issue Trust Proceeds"	:	At least 90.00% of the gross proceeds raised by our Company in each rights issue of securities undertaken by our Company prior to the completion of our Qualifying Acquisition
"Substantial Shareholder"	:	A shareholder who has an interest of not less than 5.00% of the aggregate of the nominal amount of all the voting shares in a company
"Target Countries"	:	Target countries namely, Malaysia, Indonesia, the Philippines, Singapore, Thailand and Vietnam where our target Qualifying Acquisition is based and/or has operations in as set out in Section 7.2.5 of this Prospectus
"Trust Property"	:	Comprising our IPO Trust Proceeds, the Subsequent Rights Issue Trust Proceeds (if any) and the Derivative Assets (including but not limited to the Non-Cash Trust Assets and the Cash Trust Assets)
"US"	:	United States of America
"Vital Factor"	:	Vital Factor Consulting Sdn Bhd
"Warrant(s)"	:	Free detachable warrant(s) in our Company, as constituted by the Deed Poll and to be issued to Raintree, and IPO Investors

"Warrants Moratorium"	:	Moratorium on Warrants and new Shares to be issued pursuant to the exercise of such Warrants held by our Management Team via Raintree as at the date of Listing. Raintree is allowed to sell, transfer, assign or otherwise dispose of the Warrants and new Shares to be issued pursuant to the exercise of such Warrants up to a maximum of 50.00% per annum (on a straight-line basis) provided that Red Sena's audited consolidated PAT over a full financial year have exceeded the last full financial year audited PAT of our Qualifying Acquisition at the point of acquisition, and Red Sena's financial results, on a consolidated basis, have achieved positive cash flows from operating activities, post-completion of our Qualifying Acquisition
"Warrantholder(s)"	:	Holder(s) of Warrant(s) in our Company

Currency, unit and others:

"IDR"	:	Indonesian Rupiah, the lawful currency of Indonesia
"PHP"	:	Philippines Peso, the lawful currency of the Philippines
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively the lawful currency of Malaysia
"SGD"	:	Singaporean Dollar, the lawful currency of Singapore
"THB"	:	Thai Baht, the lawful currency of Thailand
"USD"	:	US Dollar, the lawful currency of the US
"VND"	:	Vietnamese Dong, the lawful currency of Vietnam
"%"	:	Percentage

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GLOSSARY OF TECHNICAL TERMS

To facilitate a better understanding of the business of our Company, the following glossary provides a simple description of the technical terms commonly used in the F&B industry including those which are applicable or relevant to the business of our Company. The terms and their assigned meanings may not correspond to standard industry meanings or usage of these terms.

TECHNICAL TERMS

"ASEAN-5"	:	Comprises Indonesia, Malaysia, the Philippines, Thailand and Vietnam
"Beverage"	:	Liquid that is prepared specifically for consumption
"Brand"	:	A brand is an intangible asset that is used to identify products, services and/or entities with the intention of generating benefits or value by creating distinctive images and associations in the minds of consumers and other stakeholders. A brand may be in the form of, among others, names, terms, signs, symbols, logos, designs or a combination of these
"Branded F&B"	:	F&B products that are marketed and sold under a brand
"Branded packaged F&B"	:	F&B products that are marketed and sold under a brand and have been sealed in a container, such as a bag, can, box, bottle or carton
"Branding"	:	Process of creating brands and increasing the equity or value of brands. Increasing brand equity would commonly include, among others, increasing brand awareness, brand loyalty, positive brand image, and desirable brand association. The process of increasing brand equity would commonly be part of marketing
"Emerging and Developing Asia"	:	Comprises 29 countries, namely Bangladesh, Bhutan, Brunei Darussalam, Cambodia, China, Fiji, India, Indonesia, Kiribati, Lao PDR, Malaysia, Maldives, Marshall Islands, Micronesia, Mongolia, Myanmar, Nepal, Palau, Papua New Guinea, the Philippines, Samoa, Solomon Islands, Sri Lanka, Thailand, Democratic Republic of Timor-Leste, Tonga, Tuvalu, Vanuatu and Vietnam
"Distribution"	:	Business activities that are carried out to make F&B products available from one or more sources to their end-users, who may be dispersed across a wide area or located in other countries. Wholesale distribution, trade distribution and retailing are examples of distribution activities
"East Asia"	:	Comprises Brunei Darussalam, Cambodia, China, Fiji, French Polynesia, Indonesia, Kiribati, Lao PDR, Macau, Malaysia, Mongolia, Myanmar, New Caledonia, North Korea, Papua New Guinea, the Philippines, Solomon Islands, South Korea, Thailand, Vanuatu and Vietnam
"End user"	:	Person, household or industrial, commercial, institutional or professional users that directly consumes or uses the F&B product in its original purchased form
"European Union"	:	Comprises 28 countries, namely Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and United Kingdom
"F&B"	:	Food and beverage
"Food"	:	A substance that is consumed to provide nutrition. Within the context of this Prospectus, usage of the term "food" may also include "beverages"

"Food service"	:	An establishment that is primarily involved with the preparation of F&B for immediate consumption on- or off-premise
"Good Hygiene Practices" or "GHP"	:	Practices observed by persons directly involved in manufacturing F&B products with the intention of ensuring the cleanliness and safety of F&B products
"Good Manufacturing Practices" or "GMP"	:	General practices observed during the manufacturing and testing of F&B products with the intention of ensuring product quality
"Halal"	:	Permitted by Islamic law. Halal F&B is taken to mean permissible to be consumed by Muslims
"Hazard Analysis and Critical Control Points" or "HACCP"	:	A systematic approach of identifying and designing measures to reduce potential hazards during the manufacturing of F&B products, with the intention of preventing hazards as a means of ensuring the safety of F&B products
"Manufacturing"	:	The process of transforming raw and intermediate food products such as those obtained from agriculture, aquaculture and fishing, and other input materials like additives and preservatives to produce processed F&B products that are suitable for consumption by end-consumers
"Marketing"	:	Process of positioning products and services particularly in respect to products/ services, pricing, distribution channels, target markets, and advertising and promotions, with the objective of maximising sales
"Packaged F&B"	:	F&B products that have been sealed in a container, such as a bag, can, box, bottle or carton
"Processed F&B"	:	F&B products that have undergone transformation to become a significantly different product from its original raw form. As such, food that is only cleaned, cut or frozen, and beverages that are only filtered are generally not regarded as processed F&B
"Ready-to-Consume"	:	F&B products that can be consumed straight from the package with little or no additional preparation
"Ready-to-Cook"	:	F&B products that can be cooked straight from the package with little or no additional preparation
"Retailing"	:	Business activities that are concerned with the sale of F&B products, to individual consumers for personal or household consumption
"South Asia"	:	Comprises Bangladesh, India, Maldives, Nepal, Pakistan and Sri Lanka
"Trade distribution"	:	Business activities that are concerned with the sale of F&B products to industrial, commercial, institutional or professional users. F&B products that are intended for trade distribution are typically packaged in larger portions compared to those that are intended for personal or household consumption
"Wholesale distribution"	:	Business activities that are concerned with the sale of food and beverage products to intermediaries like retailers or other wholesalers. A wholesaler may physically assemble, sort and grade goods in large lots; or break-bulk, repack and redistribute goods in smaller lots. However, wholesalers do not process, manufacture or otherwise transform the goods

INTRODUCTION

This Prospectus is dated 18 November 2015.

We have registered this Prospectus with the SC. We have also lodged a copy of this Prospectus together with the Application Forms with the Companies Commission of Malaysia, who takes no responsibility for its contents.

We have received the approval of the SC for our IPO on 9 July 2015. The approval of the SC and the registration of this Prospectus shall not be taken to indicate that the SC recommends our IPO or assumes responsibility for the correctness of any statement made or opinion expressed or report contained in this Prospectus.

The SC has not, in any way, considered the merits of our Shares and Warrants being offered for investment. The SC is not liable for any non-disclosure on our part in this Prospectus. The SC also 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 that you may suffer as a result of your reliance upon the whole or any part of the contents of this Prospectus.

You are advised to make your own independent assessment of our Company and should rely on your own evaluation to assess the merits and risks of our IPO and an investment in our Company. If you are in any doubt as to the action to be taken, you should immediately consult your stockbrokers, bank managers, solicitors, accountants or any professional advisers before applying for our Shares.

We have received the approval of Bursa Securities on 7 September 2015 for the Admission, Listing and the listing of and quotation for our new Shares to be issued pursuant to the exercise of our Warrants on the Main Market.

Our Shares and Warrants will be admitted to the Official List of the Main Market of Bursa Securities and official quotation will commence upon receipt of confirmation from Bursa Depository that all our Shares and Warrants have been credited into the respective CDS accounts of the successful applicants and the notices of allotment of our Public Issue Shares and attached Warrants have been despatched to all successful applicants. Our Admission to the Official List of the Main Market of Bursa Securities shall not be taken as an indication of the merits of our Company, our Shares and Warrants or our IPO.

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares and Warrants as prescribed securities. Consequently, our Shares and Warrants will be deposited directly with Bursa Depository and any dealings in our Shares and Warrants will be carried out in accordance with the SICDA and the Rules of Bursa Depository. We will not issue any share certificates to successful applicants.

Pursuant to the Listing Requirements, at least 25.00% of the total number of Shares for which listing is sought must be held by at least 1,000 public shareholders holding not less than 100 shares each at the point of our Listing. We expect to achieve this at the time of our Listing. In the event that the above requirement is not met, we may not be allowed to proceed with our Listing. Should such an event occur, we will return in full, without interest, monies paid in respect of all applications and if such monies are not returned in full within fourteen (14) days after we become liable to do so, in accordance with the provision of subsection 243(2) of the CMSA, in addition to the liability of our Company, the officers of our Company shall be jointly and severally liable to return such monies with interest at the rate of 10.00% per annum or at such other rate as may be prescribed by the SC from the expiration of that period until the full refund is made.

1. CORPORATE INFORMATION

BOARD OF DIRECTORS

Name	Nationality	Address	Occupation
YM Tunku Dato' Mu'tamir Bin Tunku Tan Sri Mohamed *(Independent Non-Executive Chairman)*	Malaysian	No. 5, Jalan Gemilang Taman Duta 50480 Kuala Lumpur Wilayah Persekutuan	Company Director
Dato' Tan Ang Meng *(Executive Director)*	Malaysian	B06-06, Block B Surian Condominium Jalan PJU 7/12B Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan	Company Director
Tan Eng Guan *(Executive Director/ Chief Executive Officer)*	Malaysian	No. 7, Lorong PJU 3/28G Sunway Damansara 47810 Petaling Jaya Selangor Darul Ehsan	Company Director
Mohd. Shah Bin Hashim *(Senior Independent Non-Executive Director)*	Malaysian	No. 11, Lorong PJU 3/28G Sunway Damansara 47810 Petaling Jaya Selangor Darul Ehsan	Company Director
Ng Ing Peng *(Independent Non-Executive Director)*	Malaysian	69, Jalan Sri Hartamas 17 50480 Kuala Lumpur Wilayah Persekutuan	Company Director

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1. CORPORATE INFORMATION *(Cont'd)*

AUDIT COMMITTEE

Name	Designation	Directorship
Ng Ing Peng	Chairman	Independent Non-Executive Director
YM Tunku Dato' Mu'tamir Bin Tunku Tan Sri Mohamed	Member	Independent Non-Executive Chairman
Mohd. Shah Bin Hashim	Member	Senior Independent Non-Executive Director

NOMINATION AND REMUNERATION COMMITTEE

Name	Designation	Directorship
Mohd. Shah Bin Hashim	Chairman	Senior Independent Non-Executive Director
YM Tunku Dato' Mu'tamir Bin Tunku Tan Sri Mohamed	Member	Independent Non-Executive Chairman
Ng Ing Peng	Member	Independent Non-Executive Director

RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Ng Ing Peng	Chairman	Independent Non-Executive Director
YM Tunku Dato' Mu'tamir Bin Tunku Tan Sri Mohamed	Member	Independent Non-Executive Chairman
Tan Eng Guan	Member	Executive Director/ CEO

MANAGEMENT COMMITTEE/ MANAGEMENT TEAM

Name	Designation	
	Management Committee	Management Team
Tan Eng Guan	Chairman	Chief Executive Officer
Dato' Tan Ang Meng	Member	Chief Strategy Officer
Tan Sri Dato' Sri Koh Kin Lip	Member	Corporate Development Director
Ismail Bin Abd Halim	Member	Chief Financial Officer
Yoong Kah Yin	Member	Business Development Director
Ong Kuee Hwa	Member	Legal and Corporate Affairs Director

1. CORPORATE INFORMATION *(Cont'd)*

COMPANY SECRETARIES	:	Kuan Hui Fang (MIA 16876) Wong Wai Foong (MAICSA 7001358) Unit 30-01, Level 30, Tower A Vertical Business Suite Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur Wilayah Persekutuan Malaysia Tel no.: +603 2783 9191 Fax no.: +603 2783 9111
REGISTERED OFFICE	:	Unit 30-01, Level 30, Tower A Vertical Business Suite Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur Wilayah Persekutuan Malaysia Tel no.: +603 2783 9191 Fax no.: +603 2783 9111
HEAD/ MANAGEMENT OFFICE	:	Level 15.01, 1 First Avenue Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Malaysia Tel no.: +603 7651 7870 Website: www.redsena.com.my
PRINCIPAL ADVISER, JOINT MANAGING UNDERWRITER, JOINT UNDERWRITER AND JOINT PLACEMENT AGENT	:	RHB Investment Bank Berhad Level 9, Tower One RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Wilayah Persekutuan Malaysia Tel no.: +603 9287 3888 Fax no.: +603 9287 4770
JOINT MANAGING UNDERWRITER, JOINT UNDERWRITER AND JOINT PLACEMENT AGENT	:	CIMB Investment Bank Berhad 17th Floor, Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Wilayah Persekutuan Malaysia Tel no.: +603 2261 8888 Fax no.: +603 2261 8420

1. CORPORATE INFORMATION *(Cont'd)*

JOINT UNDERWRITERS	:	AFFIN Hwang Investment Bank Berhad 27th Floor, Menara Boustead 69, Jalan Raja Chulan 50200 Kuala Lumpur Wilayah Persekutuan Malaysia Tel no.: +603 2142 3700 Fax no.: +603 2142 3799
		AmInvestment Bank Berhad 22nd Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Wilayah Persekutuan Malaysia Tel no.: +603 2078 2633/ 2644/ 2655 Fax no.: +603 2078 2842
SOLICITORS FOR THE LISTING	:	Zul Rafique & Partners D3-3-8 Solaris Dutamas No. 1, Jalan Dutamas 1 50480 Kuala Lumpur Wilayah Persekutuan Malaysia Tel no.: +603 6209 8228 Fax no.: +603 6209 8221
AUDITORS AND REPORTING ACCOUNTANTS	:	Crowe Horwath (AF 1018) Level 16 Tower C, Megan Avenue II 12, Jalan Yap Kwan Seng 50450 Kuala Lumpur Wilayah Persekutuan Malaysia Tel no.: +603 2788 9999 Fax no.: +603 2788 9998
INDEPENDENT BUSINESS AND MARKET RESEARCH CONSULTANTS	:	Vital Factor Consulting Sdn Bhd V Square @ PJ City Centre (VSQ) Block 6, Level 6, Jalan Utara 46200 Petaling Jaya Selangor Darul Ehsan Malaysia Tel no.: +603 7931 3188 Fax no.: +603 7931 2188
CUSTODIAN	:	Maybank Trustees Berhad 8th Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Malaysia Tel no.: +603 2078 8363/ +603 2070 8833 Fax no.: +603 2070 9387

1. CORPORATE INFORMATION *(Cont'd)*

PRINCIPAL BANKER	:	RHB Bank Berhad Lot G.01A,Ground Floor 1 First Avenue, Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Malaysia Tel no.: +603 7728 3454 Fax no.: +603 7728 3496
ISSUING HOUSE	:	Malaysian Issuing House Sdn Bhd Level 6, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan Malaysia Tel no.: +603 7841 8000 Fax no.: +603 7841 8150
SHARE REGISTRAR	:	Symphony Share Registrars Sdn Bhd Level 6, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan Malaysia Tel no.: +603 7841 8000 Fax no.: +603 7841 8151
LISTING SOUGHT	:	Main Market of Bursa Securities

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2. SUMMARY INFORMATION

This section is only a summary of the salient information about us and our IPO and is extracted and summarised from the full text of this Prospectus. You should read and understand this section together with the entire Prospectus before you decide as to whether or not to invest in our Company. Prospective investors are advised to read the risk factors described in Section 4 of this Prospectus for an understanding of the risks associated with an investment in our Company.

2.1 OVERVIEW

We intend to list on the Main Market of Bursa Securities as a SPAC. SPACs are companies which have no operations or income generating business which undertake an initial public offering for the purposes of raising funds to acquire operating companies, business or assets, otherwise known as Qualifying Acquisition.

Our Company is formed by a group of enterprising senior management executives, professionals and entrepreneur who have extensive experience and network in the F&B industry. The members of our Management Team include several senior executives who have established track record and many years of experience running and managing large regional F&B companies. Drawing on the experience and core competencies of our Management Team, our Company has set its focus on the branded packaged F&B business within the Processed F&B industry.

We have identified the following three (3) key areas in the value chain of the **branded packaged F&B business** activities as our core operational focus:

(i) branding and marketing;
(ii) manufacturing; and
(iii) wholesale distribution.

Our target Qualifying Acquisition is expected to be an established business which is in the growth phase of its business life cycle and have operations in one of our Target Countries. Our target Qualifying Acquisition should also possess characteristics that meet our other selection criteria as set out in Section 7.2 of this Prospectus.

Our strength is closely tied to the capabilities of our Board and Management Team which comprises members with technical expertise and have operational experience in management of large F&B companies as well as M&A experience. In addition, several members of our Board, having served on the board of directors of various public listed companies have relevant experience in board operations and governance. Please refer to Section 8 of this Prospectus for further details of our Board and Management Team.

Our vision is to build our Company into a regional player in the Processed F&B industry with the focus on branded packaged F&B products. Subsequent to the completion of our Qualifying Acquisition, we will pursue the growth strategies as set out in Section 7.9 of this Prospectus to enhance the value of our Qualifying Acquisition and consequently our Company. Please refer to Sections 6 and 7 of this Prospectus for further details of our Company and our business.

If we do not complete our Qualifying Acquisition within the Permitted Timeframe, our Company will be liquidated. The 92.00% of our IPO gross proceeds (including any profit, interest, dividend and/or income derived from the Permitted Investments) held in our Cash Trust Account (net of any taxes payable and direct expenses related to the Liquidation Distribution) will be distributed to our shareholders on a pro rata basis as soon as practicable and as permissible by the relevant laws and regulations. Raintree, our Management Team and persons connected to them may not participate in the Liquidation Distribution, except for Shares purchased by them after our Listing.

2.2 SUMMARY OF OUR IPO

Purpose of IPO	:	The purposes of our IPO are to facilitate our listing on the Main Market of Bursa Securities as a SPAC and to raise funds from the capital market to undertake a Qualifying Acquisition.
Proceeds to be raised	:	RM400,000,000
Issue Price	:	RM0.50 payable in full upon application.
Issue Size	:	Our IPO consists of a public issue of 800,000,000 Public Issue Shares together with 800,000,000 Warrants on the basis of one (1) Warrant for every one (1) Public Issue Share subscribed. This represents approximately 80.00% of our enlarged issued and paid-up ordinary share capital (after our IPO and before exercise of our Warrants) and will be offered in the following manner:

(i) **Malaysian public by way of balloting**

80,000,000 Public Issue Shares together with 80,000,000 Warrants, representing approximately 8.00% of our enlarged issued and paid-up share capital, will be made available by way of balloting to the Malaysian public, of which 50.00% will be set aside strictly for Bumiputera investors.

(ii) **Selected investors by way of private placement**

720,000,000 Public Issue Shares together with 720,000,000 Warrants, representing approximately 72.00% of our enlarged issued and paid-up share capital, will be made available by way of private placement to selected investors.

2.3 UTILISATION OF PROCEEDS

We will set aside 92.00% of our IPO gross proceeds in our Cash Trust Account (which will be administered by the Custodian, in accordance with terms and conditions of the Custodian Agreement) for our Qualifying Acquisition which shall have a collective fair value of at least 80.00% of the aggregate amount then held in our Cash Trust Account. The balance of our IPO proceeds will be placed with licensed financial institutions and will be utilised to firstly defray Listing expenses and then as working capital. Please refer to Section 3.8 of this Prospectus for further details on the utilisation of proceeds from our IPO.

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2.4 PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2015

The following table sets out the Pro Forma Statements of Financial Position of Red Sena as at 30 June 2015, prepared solely for illustrative purposes. The Pro Forma Statements of Financial Position should be read in conjunction with the accompanying notes and assumptions included in the Reporting Accountants' Letter as set out in Section 9.5 of this Prospectus.

		Pro Forma I	Pro Forma II	Pro Forma III	Pro Forma IV
	Audited as at 30.6.2015	After IPO	After Pro Forma I and payment of Listing expenses	After Pro Forma II and completion of Qualifying Acquisition	After Pro Forma III and full exercise of Warrants
	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS					
NON-CURRENT ASSET					
Qualifying Acquisition	-	-	-	368,000	368,000
TOTAL NON-CURRENT ASSET	**-**	**-**	**-**	**368,000**	**368,000**
CURRENT ASSETS					
Deposits and prepayments	299	299	14	14	14
Short-term investments	9,229	9,229	9,229	9,229	9,229
Bank balance	196	400,196	384,546	16,546	516,546
TOTAL CURRENT ASSETS	**9,724**	**409,724**	**393,789**	**25,789**	**525,789**
TOTAL ASSETS	**9,724**	**409,724**	**393,789**	**393,789**	**893,789**
EQUITY AND LIABILITIES					
Share capital	2,000	10,000	10,000	10,000	20,000
Share premium	7,780	16,740	15,534	196,950	874,930
Warrant reserve	220	15,260	15,260	187,980	-
Share-based payment reserve	220	-	-	-	-
Accumulated losses	(515)	(295)	(1,160)	(1,160)	(1,160)
TOTAL EQUITY	**9,705**	**41,705**	**39,634**	**393,770**	**893,770**

2. SUMMARY INFORMATION *(Cont'd)*

		Pro Forma I	Pro Forma II	Pro Forma III	Pro Forma IV
	Audited as at 30.6.2015	After IPO	After Pro Forma I and payment of Listing expenses	After Pro Forma II and completion of Qualifying Acquisition	After Pro Forma III and full exercise of Warrants
	RM'000	RM'000	RM'000	RM'000	RM'000
LIABILITIES					
CURRENT LIABILITY					
Other payables and accruals	19	19	19	19	19
TOTAL CURRENT LIABILITY	**19**	**19**	**19**	**19**	**19**
NON-CURRENT LIABILITY					
Financial liability component of the Public Issue Shares	-	368,000	354,136	-	-
TOTAL NON-CURRENT LIABILITY	**-**	**368,000**	**354,136**	**-**	**-**
TOTAL LIABILITIES	**19**	**368,019**	**354,155**	**19**	**19**
TOTAL EQUITY AND LIABILITIES	**9,724**	**409,724**	**393,789**	**393,789**	**893,789**
Number of ordinary shares	200,000,200	1,000,000,200	1,000,000,200	1,000,000,200	2,000,000,200
NA (RM'000)	9,705	41,705	39,634	393,770	893,770
NA per ordinary share (RM)	0.05 #	0.04 #	0.04 #	0.39	0.45

Note:

\# *The computation of NA per ordinary share excludes the 92.00% of IPO Trust Proceeds as it is a financial liability component as defined under Malaysian Financial Reporting Standards 132 - Financial Instruments: Presentation. Upon obtaining the shareholders' approval on our Qualifying Acquisition, the 92.00% IPO Trust Proceeds will be reclassified as equity and recognised through share premium account and Warrant reserve account.*

2.5 RISK FACTORS

Prior to making an investment decision, you should carefully consider the risks and investment considerations summarised below, along with other matters in this Prospectus. The list of risk set out below is not exhaustive. Additional risks and uncertainties, whether known or unknown, may in the future have a material and adverse effect on the financial performance of our Company and/or the price of our Shares and Warrants.

2.5.1 Risks relating to our business and operations prior to completion of our Qualifying Acquisition

(i) Our Company does not have any operating history and trading record, and accordingly, our IPO Investors may not have a conventional basis on which they may evaluate our ability to achieve our business objective;

(ii) Our Company has yet to identify any Qualifying Acquisition and our IPO Investors are therefore unable to ascertain the merits and risks of the asset which our Company may ultimately acquire;

(iii) If our Company is unable to complete our Qualifying Acquisition within the Permitted Timeframe and is obligated to liquidate and distribute the funds in our Cash Trust Account, our shareholders (including Dissenting Shareholders) will receive less than the Issue Price and our Warrants will expire;

(iv) If the funds available to us outside of our Cash Trust Account are insufficient to allow us to operate during the Permitted Timeframe, our Company may not be able to complete our Qualifying Acquisition;

(v) The requirement for us to undertake our Qualifying Acquisition Share Repurchase and our potential inability to obtain financing may limit our ability to pursue our desired Qualifying Acquisition;

(vi) We may not be able to pursue our desired Qualifying Acquisition because of our financial resources; and

(vii) The requirement for us to complete our Qualifying Acquisition within the Permitted Timeframe may reduce our bargaining power for favourable terms for our Qualifying Acquisition.

2.5.2 Risks relating to our business and operations post-completion of our Qualifying Acquisition

(i) Our Company is exposed to regulatory issues governing the branding and marketing, manufacturing, and wholesale distribution of F&B products that may negatively impact our business;

(ii) The success of our business and operations post-completion of our Qualifying Acquisition will depend on our Management Team and Board;

(iii) Our Qualifying Acquisition may be exposed to corporate governance issues;

(iv) If we fail to anticipate and respond to changes in consumer preferences, demand for our products may decline;

(v) Our product categories face a high level of competition, which could negatively impact our sales and results of operations;

(vi) Failure to improve efficiencies in a competitive market could adversely affect the profitability of our Qualifying Acquisition;

(vii) We may rely on internal production resources and third-party co-packers for our manufacturing needs and failure to maintain sufficient internal production capacity or to enter into co-packing agreements may result in our inability to meet customer demand;

(viii) We may not be able to successfully complete strategic acquisitions, establish joint ventures or integrate brands that we acquire;

(ix) We may issue additional Shares or debt securities or source for external borrowings in future;

(x) Our Qualifying Acquisition may face labour disputes;

(xi) Failure to successfully implement our post-acquisition growth strategy; and

(xii) Repatriation of profits.

2.5.3 Risks relating to the F&B industry

(i) Global economic slowdown;

(ii) Reputation risk;

(iii) Fluctuations in the prices of raw materials and ingredients;

(iv) Mislabelling of F&B products' content;

(v) Availability of raw materials and ingredients;

(vi) Product liability; and

(vii) Adverse political, economic and regulatory developments.

2.5.4 Risks relating to our IPO

(i) There is no prior market for our Shares and Warrants and an active market for our Shares and Warrants may not develop after Listing;

(ii) Investment in the capital market exposes our IPO Investors to capital market risk;

(iii) IPO Investors would face immediate and substantial dilution in the NA per Share after our IPO;

(iv) Unforeseeable events could result in the delay in our Listing or the termination of our Listing exercise;

(v) Delay between Admission and trading of the Public Issue Shares and Warrants may result in prolonged delays or the inability for investors to recover monies paid in respect of the Public Issue Shares;

(vi) The determination of the Issue Price is more arbitrary compared with the pricing of securities for an operating company; and

(vii) Forward-looking statements may not be reflective of our future prospects.

Please refer to Section 4 of this Prospectus for a detailed discussion on the risks associated with investing in our Company.

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3. PARTICULARS OF OUR IPO

3.1 OPENING AND CLOSING OF APPLICATIONS

Applications for our Public Issue Shares will open at 10.00 a.m. on 18 November 2015 and will remain open until 5.00 p.m. on 27 November 2015, or such other date or dates as our Board and the Joint Managing Underwriters may decide in their absolute discretion.

3.2 INDICATIVE TIMETABLE

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

Events	Indicative date
Opening of the Application	18 November 2015
Closing of the Application	27 November 2015
Balloting of the Applications	1 December 2015
Allotment of our Public Issue Shares and Warrants to successful applicants	4 December 2015
Listing	10 December 2015

Our Board and the Joint Managing Underwriters may decide in their absolute discretion, to extend the closing time and date for the Applications. If they decide to extend the closing time and date for the Applications, the dates for the balloting of Applications, allotment of our Public Issue Shares and Warrants to successful applicants, and our Listing will be extended accordingly. Any extension will be announced in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia.

3.3 PURPOSES OF OUR IPO

Our IPO entails the listing of our Company on the Main Market of Bursa Securities as a SPAC and to raise funds from the capital market to undertake our Qualifying Acquisition. Please refer to Section 3.8 of this Prospectus for details on the utilisation of proceeds to be raised from our IPO.

We believe that, by offering 800,000,000 Public Issue Shares pursuant to our IPO which will raise RM400,000,000, the amount or proceeds raised would place us in a favourable position to complete our Qualifying Acquisition that suits our business plan. Please refer to Section 7 of this Prospectus for further information on our business.

In arriving at the total proceeds to be raised of RM400,000,000, we have taken into consideration the market valuation of comparable companies in the Target Countries, past M&A transactions and the minimum scale of operations in terms of revenue and profitability which is in line with our business objectives.

3.4 OUR IPO

3.4.1 Details of our IPO

Our IPO consists of a public issue of 800,000,000 Public Issue Shares together with 800,000,000 Warrants on the basis of one (1) Warrant for every one (1) Public Issue Share subscribed. This represents approximately 80.00% of our enlarged issued and paid-up ordinary share capital (after our IPO and before exercise of our Warrants) at the Issue Price which will be offered in the following manner:

(i) Malaysian public by way of balloting

80,000,000 Public Issue Shares together with 80,000,000 Warrants on the basis of one (1) Warrant for every one (1) Public Issue Share subscribed, representing approximately 8.00% of our enlarged issued and paid-up share capital, will be made available by way of balloting to the Malaysian public, of which 50.00% will be set aside strictly for Bumiputera investors.

The Retail Portion will be underwritten by the Joint Managing Underwriters and Joint Underwriters based on the terms and conditions of the Retail Underwriting Agreement. Please refer to Section 3.12.2 of this Prospectus for further details on the Retail Underwriting Agreement.

(ii) Selected investors by way of private placement

720,000,000 Public Issue Shares together with 720,000,000 Warrants on the basis of one (1) Warrant for every one (1) Public Issue Share subscribed, representing approximately 72.00% of our enlarged issued and paid-up share capital, will be made available by way of private placement to selected investors.

The Placement Portion is not underwritten as irrevocable undertakings will be obtained from the selected investors to take up our Public Issue Shares under the Placement Portion.

On 22 October 2015, we together with the Joint Placement Agents had entered into the Master Cornerstone Placement Agreement with the Cornerstone Investors pursuant to which the Cornerstone Investors agreed to acquire in aggregate 234,800,000 Public Issue Shares together with 234,800,000 Warrants, representing approximately 23.48% of the enlarged issued and paid-up share capital of our Company upon Listing, at the Issue Price, subject to the terms and conditions contained in the individual cornerstone placement agreements.

The individual cornerstone placement agreements are conditional upon, *inter alia*, the Retail Underwriting Agreement and Placement Agreement being entered into, having become unconditional and not having been terminated or rescinded pursuant to their respective terms.

In summary, our Public Issue Shares will be allocated and allotted (subject to clawback and reallocation provisions as set out in Section 3.4.2 of this Prospectus) in the following manner:

Categories	No. of Public Issue Shares	% of enlarged issued and paid-up capital	RM
Retail Portion	80,000,000	8.00 *	40,000,000
Placement Portion	720,000,000	72.00 *	360,000,000
Total Public Issue Shares	800,000,000	80.00 *	400,000,000

Note:

* *Rounding up figure due to the Initial Subscriber Shares.*

The allocation of our Public Issue Shares shall take into account the desirability of distributing our Public Issue Shares to a reasonable number of applications with a view of broadening our Company's shareholding base to meet the public spread requirements of Bursa Securities and to establish a liquid and adequate market for our Shares.

Applicants for the Placement Portion will be selected in such manner as may be determined by our Joint Placement Agents, in consultation with our Directors, to be in the best interest of our Company. Our Joint Placement Agents, in consultation with our Directors, have the discretion to decide whether to accept or reject any applicants under the Placement Portion.

The amount of Public Issue Shares will not be increased via any over-allotment or "greenshoe" option.

There is no minimum subscription to be raised from our IPO.

3.4.2 Clawback and reallocation

Our Public Issue Shares shall be subject to the following clawback and reallocation provisions:

(i) if there is an under-subscription of our Public Issue Shares under the Retail Portion and an over-subscription under the Placement Portion, the unsubscribed Public Issue Shares which are not taken up under the Retail Portion will be made available to the selected investors via private placement;

(ii) if there is an under-subscription of our Public Issue Shares under the Placement Portion and an over-subscription under the Retail Portion, the unsubscribed Public Issue Shares which are not taken up under the Placement Portion will be made available to the Malaysian public by way of balloting; and

(iii) if there is an under-subscription of our Public Issue Shares by the Bumiputera public under the Retail Portion, the unsubscribed Public Issue Shares which are not taken up by the Bumiputera public will be made available for application by the Malaysian public on a fair and equitable manner and/or selected investors via the private placement.

The clawback and reallocation shall not apply in the event of an over-application under both the Retail Portion and the Placement Portion.

3.5 SHARE CAPITAL, CLASSES OF SECURITIES AND RANKING

Upon Listing, our Company has only one (1) class of shares, namely our Shares.

3.5.1 Shares

The issued and paid-up ordinary share capital of our Company upon Listing will be as follows:

	No. of Shares	RM
Authorised share capital	2,500,000,000	25,000,000
Existing issued and paid-up share capital	200,000,200	2,000,002
New Shares to be issued as fully paid-up pursuant to the IPO	800,000,000	8,000,000
Enlarged issued and paid-up share capital upon Listing	1,000,000,200	10,000,002
New Shares to be issued as fully paid-up assuming full exercise of our Warrants	1,000,000,000	10,000,000
Enlarged issued and paid-up share capital after our Listing and assuming full exercise of our Warrants	2,000,000,200	20,000,002

Save for the Non-Entitlement Obligations and Non-Participating Obligations, our Public Issue Shares shall rank *pari passu* in all respects with our existing Shares, including the voting rights and the rights to all dividends and distributions that may be declared subsequent to the date of allotment of our Public Issue Shares.

Save for the Non-Entitlement Obligations, subject to our Articles of Association and any special rights attaching to any Shares which may be issued by our Company in the future, the holders of our Shares in our Company shall, in proportion to the amount paid-up on our Shares held by them, be entitled to share in the whole of profits paid out by our Company as dividends and other distributions. In respect of the whole of any surplus in the event of the winding-up of our Company (save for winding-up in the event that our Company does not complete our Qualifying Acquisition within the Permitted Timeframe), such surplus shall be distributed among our members in proportion to the issued and paid-up share capital at the commencement of the winding-up, in accordance with the Articles of Association and the provisions of the Act.

Save for the Non-Participating Obligations, at any general meeting of our Company, each shareholder shall be entitled to vote in person or by proxy or by attorney or by other duly authorised representative and, on a show of hands, every shareholder present in person or by proxy or by attorney or by other duly authorised representative, and, in the case of a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for each Share held. A proxy or attorney or other duly authorised representative may but need not be a member of our Company and the provisions of Section 149(1)(b) of the Act shall not apply.

3.5.2 Warrants

As at the LPD, we do not have any Warrants in issue. All Warrants will be simultaneously issued to Raintree and the IPO Investors on the date of issuance and allotment of our Public Issue Shares. This deferred issuance is to facilitate the issuance and allotment of all our Warrants (which form the same series under the Deed Poll) at the same time.

	No. of Warrants
Raintree	200,000,000
IPO Investors	800,000,000
Total Warrants in issue upon our Listing	**1,000,000,000**

Our Warrants shall be issued in registered form and are constituted by the Deed Poll. The salient terms of our Warrants are as follows:

Issue size	:	1,000,000,000 Warrants.
Expiry Date	:	The expiry date of our Warrants is as follows: (a) 5.00 p.m. on the 8th anniversary of the date of our Listing if our Qualifying Acquisition is completed within the Permitted Timeframe; or (b) 5.00 p.m. on the 3rd anniversary of the date of our Listing if our Qualifying Acquisition is not completed within the Permitted Timeframe provided that if such date is not a Market Day, then the Expiry Date shall fall on the preceding Market Day.
Exercise Period	:	Subject to completion of our Qualifying Acquisition within the Permitted Timeframe, our Warrants can be exercised anytime during the period commencing from and inclusive of the date of completion of our Qualifying Acquisition up to and including the Expiry Date. Any Warrants which are not exercised during the Exercise Period will lapse and cease to be valid.
Exercise Price	:	RM0.50 per Warrant, subject to adjustments in accordance with the provisions of the Deed Poll.
Exercise Rights	:	Each Warrantholder shall be entitled to subscribe for one (1) new Share for every one (1) Warrant held, at the Exercise Price, at any time or from time to time during the Exercise Period, subject to adjustments in accordance with the provisions of the Deed Poll.
Listing	:	Main Market of Bursa Securities.
Rights of our Warrantholders	:	Our Warrantholders are not entitled to any voting rights at general meetings of our Company or the right to participate in any dividends, rights, allotments and/or other distributions from time to time implemented by our Company.

Ranking	:	Our new Shares arising from the exercise of our Warrants shall, upon allotment and issuance, rank *pari passu* with the then existing Shares, save and except that they will not carry any voting rights at general meetings of our Company unless the name of the holders appear in the Record of Depositors and they will not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which precedes the date of allotment of our new Shares.
Board lot	:	Our Warrants shall be tradable upon Listing on Bursa Securities in board lots of 100 Warrants each (or such other number that may be prescribed by the relevant authorities from time to time).
Adjustment to the Exercise Price and/or number of Warrants	:	Subject to the provisions of the Deed Poll, the Exercise Price of our Warrants and/or the number of Warrants held by each Warrantholder may from time to time be adjusted, calculated or determined by our Board in consultation with an approved principal adviser or auditor and certified by the auditor appointed by our Company, on the occurrence of any of the events as set out in the Deed Poll, including an alteration to the share capital of our Company.
Transferability	:	After our IPO, our Warrants shall be transferable in the manner in accordance with the Deed Poll and any appendices thereto, subject always to the provisions of SICDA and the Rules of the Depository. *
Winding-up	:	(i) Where our Company is wound up or liquidated pursuant to the Equity Guidelines due to the non-completion of a Qualifying Acquisition, our Warrantholders will not have any rights, entitlements or interest in respect of such winding-up/ liquidation. Save for the above, where a resolution has been passed for a members' voluntary winding-up or liquidation of our Company (whether pursuant to the Equity Guidelines due to its non-completion of a Qualifying Acquisition within the Permitted Timeframe or otherwise) or there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with one or more companies, then: (a) for the purpose of such winding-up, liquidation, compromise or arrangement (other than a consolidation, amalgamation, merger or privatisation either through selective capital reduction, major disposal of assets or otherwise in which our Company is the continuing corporation) to which our Warrantholders, or some persons designated by them for such purposes by a special resolution, will be a party, the terms of such compromise or arrangement shall be binding on all our Warrantholders; and

Winding-up *(Cont'd)*

(b) in any other case

(aa) if such resolution is passed or the event occurs during the Permitted Timeframe and our Qualifying Acquisition has not been completed, our Warrants shall cease to be valid for any purpose;

(bb) if our Qualifying Acquisition has been completed within the Permitted Timeframe at the time of such resolution or event, every Warrantholder shall be entitled upon and subject to the conditions in the Deed Poll at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of our Company or within six (6) weeks after the granting of the court order approving the compromise or arrangement (but in both cases, not later than the Expiry Date), to exercise his Warrants by delivering the duly completed and signed exercise form together with the payment of the exercise money in the manner set out in the Deed Poll and be treated as if he had exercised our Warrants immediately prior to commencement of such winding-up or such compromise or arrangement. If our Company is wound up or such compromise or arrangement is completed, all Exercise Rights which have not been exercised within six (6) weeks of the passing of such resolution, shall lapse and our Warrants shall cease to be valid for any purpose.

(ii) For the avoidance of doubt and notwithstanding the above and any other provision in the Deed Poll, our Warrants shall not have any entitlement to the funds held in our Company's Cash Trust Account upon any liquidation of our Company.

Further, our Warrants can only be exercised during the period commencing from and inclusive of completion of our Qualifying Acquisition up to and including the Expiry Date. Any Warrants which are not exercised will expire and lapse after the Expiry Date.

Governing laws : Laws of Malaysia.

Note:

* *SPAC Moratorium will be imposed on the sale, transfer or assignment of Warrants held by Raintree. Please refer to Section 10.2 of this Prospectus for information on moratorium on our securities.*

The market price of our Warrants, like all listed securities traded on Bursa Securities, are subject to fluctuations and will be influenced by, amongst others, the market price and volatility of the price of our Shares as well as the remaining Exercise Period.

In addition, there can be no assurance that our Warrants will be in the money during the Exercise Period, which expires on Expiry Date. Further, our Warrants can only be exercised during the period commencing from and inclusive of the date of completion of our Qualifying Acquisition up to and including the Expiry Date. Any Warrants which are not exercised will expire and lapse after the Expiry Date.

3.6 MARKET CAPITALISATION

The market capitalisation of our Company upon Listing shall be RM500,000,100 based on the Issue Price.

3.7 BASIS OF ARRIVING AT THE ISSUE PRICE

The Issue Price was determined and agreed upon by our Board and our Principal Adviser, Joint Managing Underwriters and Joint Placement Agents, after taking into account, *inter-alia,* the following factors:

(i) the optimum amount of proceeds to be raised so that our Company may be well-placed to seek out a suitable asset for the purpose of completing our Qualifying Acquisition within the Permitted Timeframe;

(ii) the general condition of the securities markets at the time of our IPO; and

(iii) the minimum issue price allowable for an initial public offering of RM0.50 under the Equity Guidelines.

Applicants should also note that the market price of our Shares and Warrants upon Listing are subject to the vagaries of market forces and other uncertainties which may affect the trading price of our Shares and Warrants when they are traded. You should form your own views and valuation of our Shares and Warrants and the reasonableness of the bases used before deciding to invest in our Shares and Warrants.

3.8 UTILISATION OF PROCEEDS

3.8.1 Proceeds raised/ to be raised

We have raised gross proceeds of RM10,000,000 from the subscription of our Shares by Raintree. The gross proceeds to be raised from our IPO is RM400,000,000. Upon completion of our IPO, the total gross proceeds raised by our Company will be as follows:

	RM'000
Subscription by Raintree	10,000
Proceeds to be raised from our IPO	400,000
Total gross proceeds	**410,000**

We will set aside 92.00% of our IPO proceeds in our Cash Trust Account to be administered by our Custodian (in accordance with the terms and conditions of the Custodian Agreement) for our Qualifying Acquisition. Please refer to Annexure B of this Prospectus for the salient terms of the Custodian Agreement.

Our Qualifying Acquisition shall have a collective fair value of at least 80.00% of the aggregate amount then held in our Cash Trust Account. The balance of our IPO proceeds will be placed with licensed financial institutions and will be utilised to firstly defray Listing expenses and then as working capital. After completion of our Qualifying Acquisition, the remaining funds from our IPO Trust Proceeds may be utilised for, among others, our future acquisition, if any, and working capital purposes.

For illustration purposes, we intend to utilise the total gross proceeds of RM410,000,000 in the following manner:

Details of utilisation of proceeds	Estimated time frame for utilisation upon Listing	Note	RM'000
Estimated Listing expenses	Within 30 days from the Listing	1	16,352
Qualifying Acquisition(s)	Within 36 months from the Listing	2	368,000
Working capital	Within 36 months from the Listing	3	15,648
Remuneration of our Management Team	Within 36 months from the Listing	4	10,000
Total gross proceeds			**410,000**

Notes:

(1) Our Company will bear all the expenses and fees incidental to our Listing as follows:

	RM'000
Estimated professional fees	2,600
Brokerage, placement fees and underwriting commission	11,950
Fees payable to authorities	476
Other fees and expenses such as printing, advertising, travel and road show expenses	1,000
Miscellaneous expenses and contingencies	326
Total	16,352

Professional fees include, amongst others, the fees for the Principal Adviser, Solicitors, Reporting Accountants, Company Secretaries, Issuing House, Share Registrar, Independent Market Researcher and Custodian.

If the actual Listing expenses are higher than budgeted, the deficit will be funded out of the portion allocated for working capital. Conversely, if the actual Listing expenses are lower than budgeted, the excess will be utilised as working capital purposes.

(2) Please refer to Section 7.2 of this Prospectus for further details on our target Qualifying Acquisition to be acquired.

(3) The balance of our IPO proceeds (after deducting the estimated Listing expenses) not placed in our Cash Trust Account will be utilised for each category of expenditure as follows:

	RM'000
Selection, evaluation and acquisition process of Qualifying Acquisition (including professional fees and other related expenses)	10,000
Business prospecting/ development expenses (including travelling, accommodation and entertainment expenses)	1,930
Outsourced services fees (including accounting, audit, tax agent, secretarial)	1,069
Supporting staff remunerations	1,008
Directors' remunerations (excluding the Executive Directors)	720
Office and utilities overheads	249
Contingencies	672
Total	15,648

The actual amount for each category of expenditure may differ at the time of utilisation.

(4) The proceeds of RM10,000,000 raised from the subscription by Raintree shall only be used for the remuneration of our Management Team (including salaries, contributions to Employees' Provident Fund and other benefits) from the commencement of their employment up to the Permitted Timeframe.

3.8.2 Proceeds to be raised from the exercise of Warrants

Our Company will raise proceeds of RM500,000,000 assuming full exercise of our Warrants after the completion of our Qualifying Acquisition. The actual proceeds raised from the exercise of our Warrants, will depend on the actual number of Warrants exercised. We will utilise the proceeds raised from the exercise of our Warrants for business expansion, as working capital or for such other purpose as we may deem fit. However the precise allocation has yet to be determined.

Any future investment plans, when materialised, will be announced to Bursa Securities, and if required, be subjected to approval by the relevant authorities and/or shareholders. Pending future investment/ utilisation of the proceeds by our Company, the proceeds will be placed with licensed financial institutions.

3.8.3 Financial impact from the utilisation of proceeds

As our Qualifying Acquisition has yet to be identified at this juncture, the financial impact on our Company from the utilisation of proceeds as set out above cannot be ascertained as at the LPD.

3.9 LISTING SCHEME

In conjunction with and as an integral part of our Listing, we undertook the following:

3.9.1 Incorporation of Red Sena

Red Sena was incorporated in Malaysia under the Act on 15 September 2014 as a private limited company with the intention to operate as a SPAC upon Listing. Please refer to Section 6 of this Prospectus for background information on Red Sena.

3.9.2 Subscription by Raintree

On 14 October 2014, Raintree entered into a share subscription agreement with our Company for the subscription of 200,000,000 new Shares together with 200,000,000 Warrants at a subscription price of RM0.05 per new Share. The subscription of new Shares by Raintree raised total proceeds of RM10,000,000. The Shares held by Raintree represent approximately 20.00% of the enlarged share capital of our Company pursuant to our Listing. Please refer to Section 8.3.2 of this Prospectus for background information on Raintree.

As at the LPD, Raintree is the sole shareholder of our Company. Please refer to Section 6.4 of this Prospectus for details on our shareholding structure.

3.9.3 IPO

Our Company is undertaking an IPO and the details of our IPO have been set out in Section 3.4 of this Prospectus.

Thereafter we will seek an admission to the Official List and for the listing of and quotation for our entire enlarged ordinary share capital on the Main Market of Bursa Securities of:

(i) 1,000,000,200 Shares;

(ii) 1,000,000,000 Warrants; and

(iii) 1,000,000,000 new Shares arising from the exercise of our Warrants.

3.10 DILUTION

Dilution is the difference between the Issue Price paid by the IPO Investors and the pro forma NA per Share of our Company immediately after our IPO.

The Issue Price is higher than our NA per Share before our IPO. This is mainly because Raintree effectively paid RM0.05 per Share, when they subscribed for our Shares. In addition, our IPO Trust Proceeds placed under our Cash Trust Account would be deemed as a liability component due to accounting classification as our Company is obligated to return our IPO Trust Proceeds under our Cash Trust Account to the IPO Investors if our Qualifying Acquisition is not completed within the Permitted Timeframe. Consequently, our pro forma NA per Share, based on our enlarged issued and paid-up ordinary share capital of 1,000,000,200 Shares would be RM0.04, translating to a dilution of RM0.46.

After the completion of our Qualifying Acquisition, the liability component reflecting our IPO Trust Proceeds (after deducting the amount used for our Qualifying Acquisition Share Repurchase, if any) shall be reclassified as our equity as we would have no further obligation to refund our IPO Trust Proceeds to IPO Investors. Accordingly, our pro forma NA per Share will increase to RM0.39. This represents a dilution in pro forma NA per Share of RM0.11.

Assuming full exercise of all our Warrants at RM0.50 per Warrant during the Exercise Period and based on our enlarged issued and paid-up ordinary share capital of 2,000,000,200 Shares, our pro forma NA per Share would be RM0.45. This represents a dilution in pro forma NA per Share of RM0.05.

For illustrative purposes, we set out below the dilution to IPO Investors. The following should be read together with the Reporting Accountants' letter in Section 9.5 of this Prospectus.

Issue Price	**RM0.50**
Pro forma NA per Share subsequent to our IPO and after adjusting for the estimated Listing expenses ("Pro Forma I Events")	RM0.04
Dilution in pro forma NA per Share	RM0.46
Dilution in pro forma NA per Share as a percentage of the Issue Price	92.00%
Pro forma NA per Share subsequent to the Pro Forma I Events and completion of our Qualifying Acquisition * ("Pro Forma II Events")	RM0.39
Dilution in pro forma NA per Share	RM0.11
Dilution in pro forma NA per Share as a percentage of the Issue Price	22.00%
Pro forma NA per Share subsequent to the Pro Forma II Events and full exercise of our Warrants ("Pro Forma III Events")	RM0.45
Dilution in pro forma NA per Share	RM0.05
Dilution in pro forma NA per Share as a percentage of the Issue Price	10.00%

Note:

* *Assuming our Qualifying Acquisition is completed within the Permitted Timeframe.*

The following table summarises the total number of Shares subscribed by Raintree (save for the Initial Subscriber Shares) and the total number of Shares to be subscribed by the IPO Investors, the total consideration paid or to be paid to our Company prior to the date of Listing and the effective cash cost per Share subscribed by Raintree and the IPO Investors:

	No. of Shares (1)	Total consideration	Effective cash cost per Share	Attributable market capitalisation (2)
		RM	RM	RM
Raintree	200,000,000	10,000,000	0.05	100,000,000
IPO Investors	800,000,000	400,000,000	0.50	400,000,000
Total	**1,000,000,000**	**410,000,000**		**500,000,000**

Notes:

(1) *Save for the Initial Subscriber Shares.*

(2) *Based on the Issue Price.*

Discount on our Shares issued to Raintree

The Issue Price of each new Share issued to Raintree is 90.00% lower compared to the Issue Price. The discount accorded to Raintree is due to the following justifications:

(i) The proceeds raised from Raintree will be utilised as initial working capital for our Company to commence the process of the application to the SC by engaging the relevant advisers for our Listing. In the event that the IPO is not approved by the SC or is aborted or our Qualifying Acquisition is not completed within the Permitted Timeframe, the investment by Raintree will not be fully recoverable;

(ii) Prior to the completion of our Qualifying Acquisition, our Management Team's remuneration shall only be paid from the proceeds raised from Raintree. As such, our IPO proceeds will not be utilitised for any payment for our Management Team's remunerations;

(iii) All our Shares and Warrants held by Raintree are subject to the SPAC Moratorium, which Raintree has agreed to, in order to demonstrate their commitment and desire to ensure the successful growth of our Company after the completion of our Qualfiying Acquisition;

(iv) Raintree (including our Management Team and persons connected to them) will abstain from voting at the EGM to be convened for the approval of our Qualifying Acquisition; and

(v) Raintree, our Management Team and persons connected to them are subject to Non-Entitlement Obligations and shall not participate in the Liquidation Distribution, except for Shares purchased by them after our Listing.

As such, the discount accorded to Raintree is in consideration of the higher risk assumed and restricted rights imposed on our Shares held by Raintree.

A summary of the different rights and entitlements of Raintree and the IPO Investors is set out below:

	Raintree	IPO Investors
Investment amount	RM10,000,000	RM400,000,000
Pre-IPO risk	Yes	No
Funding for working capital	100% of the investment amount	8.00% of the investment amount
Protection on the investment amount	No	92.00% of the investment amount (including any profit, interest, dividend and/or income derived from the Permitted Investments) are held in our Cash Trust Account In the event that the shareholders vote against our Qualifying Acquisition, they shall be entitled to the Qualifying Acquisition Share Repurchase
Moratorium	Both Shares and Warrants held by Raintree as at the date of Listing are subject to the Shares Moratorium and the Warrants Moratorium, respectively	No moratorium

	Raintree	IPO Investors
Voting rights at EGM for the approval of our Qualifying Acquisition	No	Yes
Entitlement to the Liquidation Distribution	No	Yes

3.11 BROKERAGE AND PLACEMENT FEES AND UNDERWRITING COMMISSION

3.11.1 Brokerage fee

Under the Retail Portion, we will pay brokerage in respect of the 80,000,000 Public Issue Shares at the rate of 1.00% of the Issue Price in respect of successful Applications bearing the stamp of participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association or the Issuing House.

3.11.2 Placement fee

Under the Placement Portion, we will pay the Joint Placement Agents a placement fee at the rate of 3.00% of the value of the Public Issue Shares (i.e. the number of Public Issue Shares placed out multiplied by the Issue Price) placed out to placees identified by the Joint Placement Agents in accordance with the terms of the Placement Agreement.

For any investor(s) who is/are identified and procured by our Company, we will pay the Joint Placement Agents 1.75% of the value of the Public Issue Shares placed out to such investors in accordance with the terms of the Placement Agreement.

3.11.3 Underwriting commission

We will pay the Joint Managing Underwriters a managing underwriting commission calculated at the rate of 0.50% and the Joint Underwriters an underwriting commission calculated at the rate of 2.50% of the value of the Public Issue Shares offered under our Retail Portion in accordance with the terms of the Retail Underwriting Agreement.

3.12 DETAILS OF THE PLACEMENT AGREEMENT AND RETAIL UNDERWRITING AGREEMENT

3.12.1 Placement Agreement

We expect to enter into the Placement Agreement with the Joint Placement Agents in relation to the placement of 720,000,000 Public Issue Shares under the Placement Portion, subject to clawback and reallocation provisions as set out in Section 3.4.2 of this Prospectus.

3.12.2 Retail Underwriting Agreement

We have on 22 October 2015 entered into a Retail Underwriting Agreement with the Joint Managing Underwriters and Joint Underwriters to underwrite 80,000,000 Public Issue Shares ("**Underwritten Shares**") under the Retail Portion, subject to clawback and reallocation provisions as set out in Section 3.4.2 of this Prospectus and upon terms and subject to the conditions of the Retail Underwriting Agreement.

The number of Underwritten Shares underwritten by the Joint Underwriters is as follows:

Joint Underwriters	No. of Underwritten Shares
RHB	30,000,000
CIMB	30,000,000
AmInvestment	10,000,000
AFFIN Hwang	10,000,000

The underwriting obligations of the Joint Managing Underwriters and Joint Underwriters under the Retail Underwriting Agreement are subject to certain conditions precedent, which must be fulfilled or waived on or before the expiry of two (2) Market Days after the closing of the Application or such later date as consented to in writing by the Joint Managing Underwriters. The conditions precedent include the following:

(a) the approval of the SC in relation to our IPO and Listing (including the approval for waivers sought in relation to compliance with certain requirements under the Prospectus Guidelines) remaining in full force and effect on the closing of the Application and that all conditions to such approvals (except for any which can only be complied with after our IPO has been completed) have been complied with;

(b) the approval of Bursa Securities in relation to our Admission, our Listing and the listing of and quotation for the new Shares arising from the exercise of the Warrants having been obtained and are in full force and effect as at the closing of the Application and that all conditions of the approvals (except for any which can only be complied with after our IPO has been completed) have been complied with;

(c) the execution of the Placement Agreement and such agreement not having been terminated or rescinded pursuant to the provisions thereof (whereby for the avoidance of doubt, the execution of the Placement Agreement by us and the Joint Placement Agents shall be at the sole discretion of the respective parties);

(d) our IPO and the offering and subscription of the Public Issue Shares, our Listing, the listing of and quotation for the new Shares arising from the exercise of the Warrants and the transactions contemplated under the Retail Underwriting Agreement being in accordance with the provisions hereof and not being prohibited or impeded by any law in Malaysia;

(e) there not being, in the reasonable opinion of the Joint Managing Underwriters at any time on or prior to the day that all other conditions precedent of the Retail Underwriting Agreement are fulfilled:

    (i) any adverse change in the condition (financial, business, operations or otherwise) of our Company from that set out in this Prospectus which has or will have a Material Adverse Effect in the context of our IPO; or

    (ii) any occurrence of any event or discovery of any fact or circumstances rendering untrue, inaccurate or incorrect or not complied with, any of the warranties or undertakings by our Company in the Retail Underwriting Agreement.

Notwithstanding anything contained in the Retail Underwriting Agreement, the Joint Managing Underwriters may by notice given to us at any time before the date of our Listing, terminate, cancel and withdraw the underwriting commitment of the Joint Underwriters if:

(a) we breach any of our obligations or any of the warranties or undertakings set out in the Retail Underwriting Agreement in any respect;

(b) our Listing does not take place by the first quarter of 2016 or such other extended date as may be agreed in writing between us and the Joint Managing Underwriters;

(c) we withhold material information from the Joint Managing Underwriters or the Joint Underwriters which is required to be disclosed pursuant to the Retail Underwriting Agreement which, in the opinion of the Joint Managing Underwriters or the Joint Underwriters, would have a Material Adverse Effect, or affect the success of our IPO, or the distribution or the sale of the Public Issue Shares pursuant to our IPO. "**Material Adverse Effect**" means any material adverse effect, whether individually or in the aggregate, and whether or not arising in the ordinary course of business, on any of the following:

    (i) our condition (financial or otherwise), contractual commitments, general affairs, management, business, assets, liquidity, liabilities, prospects, shareholders' equity, business undertakings, properties or results of operations;

    (ii) our ability to perform in any respect our obligations under or with respect to, or to consummate the transactions contemplated by this Prospectus, the Placement Agreement or the Retail Underwriting Agreement;

    (iii) our ability to conduct our businesses as described in this Prospectus; or

    (iv) our IPO;

(d) any commencement of legal proceedings or action against any of our Directors which, in the opinion of the Joint Managing Underwriters, would have or is reasonably likely to have a Material Adverse Effect or make it impracticable to enforce contracts to allot and/or transfer our Shares;

(e) trading of all securities on Bursa Securities has been suspended or other form of general restriction in trading in securities is imposed for five (5) consecutive Market Days or more;

(f) the offering of the Retail Portion and/or the Placement Portion is stopped or delayed by us or any regulatory authorities for any reason whatsoever (unless such delay has been approved by the Joint Managing Underwriters, acting on behalf of themselves and the Joint Underwriters);

(g) the Placement Agreement shall have been terminated or rescinded in accordance with its terms;

(h) any of the resolutions or approvals referred to in the Retail Underwriting Agreement is revoked, suspended or ceases to have any effect whatsoever, or is varied or supplemented;

(i) there shall have occurred, happened or come into effect any event or series of events beyond the reasonable control of the Joint Managing Underwriters and the Joint Underwriters by reason of Force Majeure (as defined below) which would have or can reasonably be expected to have, a Material Adverse Effect or is reasonably likely to have the effect of making any material obligation under the Retail Underwriting Agreement incapable of performance in accordance with its terms. "**Force Majeure**" means causes which are unpredictable and beyond the reasonable control of the party claiming Force Majeure which could not have been avoided or prevented by reasonable foresight, planning and implementation including but not limited to:

(i) war, acts of warfare, sabotages, hostilities, invasion, incursion by armed force, act of hostile army, nation or enemy, civil war or commotion, hijacking, terrorism;

(ii) riot, uprising against constituted authority, civil commotion, disorder, rebellion, organised armed resistance to the government, insurrection, revolt, military or usurped power; or

(iii) natural catastrophe including but not limited to earthquakes, floods, fire, storm, lightning, tempest, explosions, accident, epidemics or other acts of God;

(j) any material adverse change in national or international monetary, financial and capital markets (including stock market conditions and interest rates), political or economic conditions or exchange control or currency exchange rates which in the opinion of the Joint Managing Underwriters would have or is reasonably likely to, have a Material Adverse Effect or a material adverse effect (whether in the primary market or in respect of dealings in the secondary market) on the value or price of the Public Issue Shares. For the avoidance of doubt, and without prejudice to the foregoing, if the FTSE Bursa Malaysia KLCI ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day:

(i) on or after the date of the Retail Underwriting Agreement; and

(ii) prior to the closing of the Application,

lower than 85%, of the level of Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of the Retail Underwriting Agreement and remains at or below that level for at least five (5) consecutive Market Days, it shall be deemed a material adverse change in the stock market condition;

(k) any new law or regulation or change in law, regulation, directive, policy or ruling in Malaysia which in the opinion of the Joint Managing Underwriters and the Joint Underwriters will or is likely to prejudice the success of our IPO or Listing or which would have or is reasonably likely to have the effect of making it impracticable to enforce contracts to allot and/or transfer our Shares or making any obligation under the Retail Underwriting Agreement incapable of performance in accordance with its terms;

(l) there is, in the opinion of the Joint Managing Underwriters, at any time on or prior to the closing of the Application, the date of Listing and on the date of any amended Prospectus or supplement a Prospectus (including the date of lodgement and registration of such Prospectus, as the case may be):

(i) any adverse change, or any development reasonably likely to involve a prospective adverse change in the condition (financial, business, operations or otherwise) of our Company from that set out in the Prospectus which is likely to have a Material Adverse Effect in the context of our IPO; or

(ii) any occurrence of any event or discovery of any fact or circumstances rendering untrue, inaccurate or incorrect or not complied with, any of the warranties or undertaking by our Company set out in the Retail Underwriting Agreement.

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In making your decision whether to invest in our Company, you should take note that we are a SPAC and are therefore subject to risks related to a SPAC. Subsequent to the successful completion of our Qualifying Acquisition, we expect to be exposed to a number of possible risks that may arise from economic, business, market and financial factors and developments in the F&B industry which may have an adverse impact on our future performance. Many of the possible risks that may arise are beyond our anticipation and our control. Prior to making an investment decision, you should carefully consider the risks as set out below.

The list of risks set out below is not exhaustive. Additional risks and uncertainties, whether known or unknown, may in the future have a material and adverse effect on the financial performance of our Company and/or the price of our Shares and Warrants.

4.1 RISKS RELATING TO OUR BUSINESS AND OPERATIONS PRIOR TO COMPLETION OF OUR QUALIFYING ACQUISITION

4.1.1 Our Company does not have any operating history and trading record, and accordingly, our IPO Investors may not have a conventional basis on which they may evaluate our ability to achieve our business objective

We are a newly incorporated company with no operating activities. Our ability to complete our Qualifying Acquisition will be subjected to the amount of proceeds that we raise from our IPO. As we do not have any operating history or record since incorporation and we have yet to identify or select our Qualifying Acquisition, our IPO Investors may not have a conventional basis to evaluate our ability to achieve our business objective, which is to operate a branded packaged F&B business. We are not permitted to carry on any business other than the identification and evaluation of our potential Qualifying Acquisition until after the completion of our Qualifying Acquisition. As such, we will not generate any revenue or income until, at the earliest, after the completion of our Qualifying Acquisition.

Please refer to Sections 8.1.2 and 8.2.1 of this Prospectus for further details on the experience of our Board and Management Team that may assist you in assessing our ability to complete Qualifying Acquisition and manage the operation of our Company.

4.1.2 Our Company has yet to identify any Qualifying Acquisition and our IPO Investors are therefore unable to ascertain the merits and risks of the asset which our Company may ultimately acquire

We have yet to identify our Qualifying Acquisition. Therefore, our IPO Investors currently have no basis to evaluate the possible merits or risks of our Qualifying Acquisition. Our IPO Investors will be relying on our Management Team's experience and ability to source for our Qualifying Acquisition, conduct due diligence and negotiations and to evaluate its merits and risks. Notwithstanding that our Board and Management Team will carry out this process to the best of their ability, there is no assurance that all risks will be adequately determined and mitigated. Any uncertainties that our Board and Management Team may face in assessing a potential Qualifying Acquisition may limit our ability to fully realise the expected benefits envisaged from our Qualifying Acquisition.

4.1.3 If our Company is unable to complete our Qualifying Acquisition within the Permitted Timeframe and is obligated to liquidate and distribute the funds in our Cash Trust Account, our shareholders (including Dissenting Shareholders) will receive less than the Issue Price and our Warrants will expire

We are required to complete our Qualifying Acquisition within the Permitted Timeframe. If we do not achieve this or if our Company is delisted before the completion of our Qualifying Acquisition, we are obliged to liquidate our Company and distribute the funds in our Cash Trust Account to our shareholders. During the Permitted Timeframe, 92.00% of the proceeds raised from our IPO will be held in trust in our Cash Trust Account. Our shareholders do not have any right or interest of any kind to our Cash Trust Account except if our Company is liquidated due to our inability to complete our Qualifying Acquisition within the Permitted Timeframe or due to our delisting before the completion of our Qualifying Acquisition and pursuant to our Qualifying Acquisition Share Repurchase.

If our Company is liquidated due to our inability to complete our Qualifying Acquisition within the Permitted Timeframe or due to our delisting before the completion of our Qualifying Acquisition, the Liquidation Distribution will be less than the Issue Price after deducting the expenses incurred from our IPO, general and operating expenses and the anticipated costs of identifying an asset as our Qualifying Acquisition and liquidating our Company. Therefore, our shareholders (including the Dissenting Shareholders) may receive less than the Issue Price. Furthermore, there will be no distribution with respect to our outstanding Warrants which will expire without any value if we liquidate our Company before the completion of our Qualifying Acquisition.

However, the Liquidation Distribution is only applicable to those IPO Investors who have continued to hold on to their investments until the end of the Permitted Timeframe. Notwithstanding the above, our shareholders except for Raintree have the flexibility to divest their Shares or Warrants or both upon Listing, in whole or in part before the end of the Permitted Timeframe.

4.1.4 If the funds available to us outside of our Cash Trust Account are insufficient to allow us to operate during the Permitted Timeframe, our Company may not be able to complete our Qualifying Acquisition

As stated in Section 4.1.3 of this Prospectus, 92.00% of the total proceeds raised from the IPO will be held in our Cash Trust Account. The remaining 8.00% together with the monies from the subscription of Shares by Raintree will allow us to operate and defray our day-to-day administrative and operating expenses within the Permitted Timeframe. We anticipate that the funds available to us outside of our Cash Trust Account will be sufficient to allow us to operate within the Permitted Timeframe.

However, there is no assurance that the amount of expenses incurred for the process of identifying, selecting and completing our Qualifying Acquisition during the Permitted Timeframe will be within our projection.

4.1.5 The requirement for us to undertake our Qualifying Acquisition Share Repurchase and our potential inability to obtain financing may limit our ability to pursue our desired Qualifying Acquisition

Our Dissenting Shareholders will be entitled to exchange their Shares for a cash sum equivalent to their pro rata portion of the amount then held in our Cash Trust Account (net of any taxes payable and expenses related to our Qualifying Acquisition Share Repurchase), provided that such Qualifying Acquisition is completed within the Permitted Timeframe. This effectively reduces the amount of proceeds in our Cash Trust Account that are available for our Qualifying Acquisition. Therefore, there can be no assurance that the amount of IPO proceeds remaining in our Cash Trust Account will be sufficient for us to pursue our desired Qualifying Acquisition. However, such shortfall may be sourced from external borrowing or rights issue but there can be no assurance that we will be able to procure such financing or succeed in the issuance of shares.

4.1.6 We may not be able to pursue our desired Qualifying Acquisition because of our financial resources

Our financial resources may only allow us to complete the acquisition of one (1) asset as our Qualifying Acquisition. We may face competition from other entities, including venture capital funds, private equity firms and conglomerates, in pursuing our desired Qualifying Acquisition. Many of these entities are also well established and have extensive experience in identifying and effecting acquisitions and may possess greater financial resources than we do.

Notwithstanding our limited financial resources when compared with those other entities, we believe we would be able to complete the acquisition in a timely manner as we have available funds from our IPO proceeds and we will only target potential Qualifying Acquisitions which is within our financial capacity. Apart from our IPO proceeds, we may also obtain financing from external borrowings or raise additional funds via debt or equity financing to secure our Qualifying Acquisition. This would strengthen our financial resources to pursue our desired Qualifying Acquisition.

4.1.7 The requirement for us to complete our Qualifying Acquisition within the Permitted Timeframe may reduce our bargaining power for favourable terms for our Qualifying Acquisition

Our continued listing will depend on our ability to complete our Qualifying Acquisition within the Permitted Timeframe. In the event that we have not identified our Qualifying Acquisition nearing the end of the Permitted Timeframe, this may reduce our bargaining power for favourable terms to our Qualifying Acquisition as we may have less time to carry out negotiations in completing the acquisition.

In addition, the potential seller will be aware of our obligation to complete our Qualifying Acquisition within the Permitted Timeframe. Consequently, they may have better bargaining power during negotiation. Nonetheless, our shareholders will be able to evaluate the merits and risks of our Qualifying Acquisition proposed by our Board and the completion of our Qualifying Acquisition would require the approval by a majority in number of the holders of our Shares representing at least 75.00% of the total value of all the Shares held by our shareholders present and voting either in person or by proxy at the EGM, excluding Raintree, the Management Team and persons connected to them.

Notwithstanding the above, we shall endeavour to complete our Qualifying Acquisition within the Permitted Timeframe without compromising the bargaining power for favourable terms for our Qualifying Acquisition.

4.2 RISKS RELATING TO OUR BUSINESS AND OPERATIONS POST-COMPLETION OF OUR QUALIFYING ACQUISITION

4.2.1 Our Company is exposed to regulatory issues governing the branding and marketing, manufacturing, and wholesale distribution of F&B products that may negatively impact our business

Our Company is exposed to regulatory issues governing the branding and marketing, manufacturing, and wholesale distribution of branded packaged F&B products both in local and foreign jurisdictions. Changes in any government initiatives, policies, regulations and laws towards the F&B industry may negatively affect our ability to realise the expected benefits from our Qualifying Acquisition. A foreign asset could also be subjected to additional risks in its operating environment that may be peculiar to their respective home jurisdictions. Those risks include, amongst others, any one or more of the following:

(i) changes in rules and regulations;

(ii) foreign currency exposure;

(iii) changes in political environment;

(iv) changes in health, safety and environmental policies;

(v) ability to repatriate funds;

(vi) tariffs and trade barriers;

(vii) customs and import/ export matters;

(viii) tax issues;

(ix) cultural and language differences; and

(x) employment regulations.

If we are unable to adequately address these risks, the expected benefits to be derived from our Qualifying Acquisition may not be fully realised. Nonetheless, all these risks will be considered thoroughly by our Company when evaluating entry options to a particular country or legal jurisdiction.

4.2.2 The success of our business and operations post-completion of our Qualifying Acquisition will depend on our Management Team and Board

Our success will depend on the continued contributions of our Management Team and Board. Our success will, to a large extent, be attributable to the strategy and objectives of our Management Team, who will be instrumental in charting the business strategies, direction and spearheading the growth of our Company. If we are unable to retain our Management Team and Board, or attract and engage suitable replacements in the future, our operations, growth, prospects and future performance may be materially and adversely affected.

Our Management Team owns Shares and Warrants in our Company through Raintree which are subject to the Shares Moratorium and the Warrants Moratorium, respectively. This will serve to align our Management Team's interests with our Company and the shareholders of our Company.

In addition, all members of our Management Team have entered into employment contracts with our Company on a full time basis for a minimum period comprising the aggregate of 36 months after the completion of our Qualifying Acquisition and such additional period thereafter until our Qualifying Acquisition has achieved an accumulated PAT attributable to our Company of at least RM107 million over full financial years commencing after the completion of our Qualifying Acquisition. As such, our Management Team's continued employment and performance in our Company is secured and there will be sufficient time to put in place a succession plan after our Company has successfully completed its Qualifying Acquisition.

Please refer to Sections 8.2.7 and 10.2 of this Prospectus for additional information relating to the employment contracts and SPAC Moratorium respectively.

In order to ensure management continuity, our Management Team, by capitalising on their expertise and experiences, will mentor and develop selected younger and adequately experienced talent as part of a focused management succession planning process. Our Company may groom such younger talents from our Qualifying Acquisition or externally via recruitment of candidates.

4.2.3 Our Qualifying Acquisition may be exposed to corporate governance issues

Our Qualifying Acquisition may not possess a good corporate governance framework. The lack of a good corporate governance framework may expose us to risks of fraud and/or mismanagement issues such as excessive risk taking and non-compliance with standard operating procedures, by employees and/or contractors. Should this be left unchecked, our reputation and financial performance may be adversely affected.

Notwithstanding the above, should our Board consider the business of the Qualifying Acquisition as viable and has good prospects, our Board and Management Team will evaluate and assess the merits of our target Qualifying Acquisition. After the completion of our Qualifying Acquisition, our Board will put in place the proper framework and procedures to remedy the matter.

4.2.4 If we fail to anticipate and respond to changes in consumer preferences, demand for our products may decline

As economies develop, consumer tastes and preferences evolve and the trends and demands may be difficult to predict. The demand for our branded packaged F&B products depends on our ability to meet and fulfil the consumers' requirements which may be affected by:

(i) consumer becoming more conscious of dietary trends and consumer's increased attention to the nutritional composition in F&B;

(ii) concerns regarding the public health consequences associated with diseases such as obesity, diabetes and other common ailments due to diet; and

(iii) increasing awareness of the environmental and social effects of F&B product manufacturing.

If consumer demand for our products declines, our sales volumes, our business and profitability may be negatively affected. Nonetheless, we will be observant by conducting regular F&B market research and continuing to monitor the market's demand and trend to manage our business risk.

4.2.5 Our product categories face a high level of competition, which could negatively impact our sales and results of operations

The F&B industry is competitive and each of our product categories will face competition in terms of product innovation, product quality, price, brand recognition, customer loyalty and marketing budget/ resources to conduct promotional activity from established products with strong brand names.

We believe that we will be able to identify assets with good F&B brand names. However, if the competitors introduce a product faster or market it more successfully than we can, our growth rate in certain market segments could be affected and subsequently this could affect our sales volume.

In some instances, our competitors may be able to sell at a lower price due to economies of scale and lower marketing costs. If our products fail to compete successfully with other branded or private label offerings in the industry, demand for our products and our sales volumes will be affected.

Additionally, the price competition and increased dominance of retail chain convenience stores, supermarket and hypermarket may create a demanding environment for distributors which will affect our Company's profitability in those market segments.

Nonetheless, we believe our Board and Management Team have sufficient experience and know-how to ensure that the necessary planning will be in place to improve the operations results of our Qualifying Acquisition in a competitive market.

4.2.6 Failure to improve efficiencies in a competitive market could adversely affect the profitability of our Qualifying Acquisition

The future success and earnings growth of our Qualifying Acquisition would depend in part on our ability to operate efficiently in the competitive markets. Improving our profit margins may become more difficult over time and failure on our part to reduce costs through productivity gains could adversely affect our profitability and weaken our competitive position in the future.

Productivity initiatives that we may implement could involve reorganisation of manufacturing activities, production facilities or distribution systems. Such reorganisation may result in the interruption of output, which may negatively impact our operations and financial condition.

Nonetheless, we believe our Board and Management Team have sufficient experience and know-how to ensure that the necessary planning will be in place to improve efficiencies of our Qualifying Acquisition in a competitive market.

4.2.7 We may rely on internal production resources and third-party co-packers for our manufacturing needs and failure to maintain sufficient internal production capacity or to enter into co-packing agreements may result in our inability to meet customer demand

Our business largely depends, in part, on maintaining a strong manufacturing and packaging platform. There is a requirement for the manufacturing plants to operate at high rates of utilisation and we may need to expand our production facilities and/or increase our reliance on other third parties to provide manufacturing or packaging or distribution services for a number of our F&B products.

Upon completion of our Qualifying Acquisition, we will have to assess the sufficiency of existing manufacturing and supply arrangements and the continuation of the services currently provided. We may also need to consider entering into additional manufacturing, co-packing and distribution agreements to ensure that the supply and distribution of our products will not be affected. The increase of consumers' demand will require investment in manufacturing and packaging facilities or distribution services. Our inability to forecast future demand and maintain sufficient internal production capacity would result in failure to meet customers' demand and our business will be negatively affected.

Our Board and Management Team will ensure that the necessary planning and operating process of the relevant third party co-packers, manufacturers or distributors will be in place and able to meet our Company's standard.

4.2.8 We may not be able to successfully complete strategic acquisitions, establish joint ventures or integrate brands that we acquire

Further to the completion of our Qualifying Acquisition, we intend to continue to grow our business in part through the acquisition of other established or well-known brands and the establishment of joint ventures in other regions. After completing our Qualifying Acquisition, we cannot be certain that we will be able to successfully:

(i) identify synergistic or suitable acquisition, and accurately assess their value, growth potential, strengths, weaknesses, contingent and other liabilities and potential profitability;

(ii) obtain necessary regulatory approval for our acquisitions and joint venture partners;

(iii) negotiate acquisitions and joint ventures on terms acceptable to us; or

(iv) integrate any new acquisitions that we may acquire or any joint ventures that we may enter into with any joint venture partners after completing our Qualifying Acquisition.

If we are not successful in completing strategic acquisitions, establishing joint ventures or integrating brands that we acquire, the growth of our Company could be affected.

Notwithstanding the above, we will leverage on our Management Team's relevant M&A experience as well as engagement of professional consultants to identify synergistic partners and acquire suitable asset which would further grow our Company.

4.2.9 We may issue additional Shares or debt securities or source for external borrowings in future

Subsequent to the completion of our Qualifying Acquisition, the actual results may differ substantially from anticipated results. Furthermore, substantial investment of capital required for branding and marketing, manufacturing and distribution of our F&B products may affect the financial position of our Company.

Therefore, we may need to raise additional capital for working capital purpose, expansion of our business and to pursue our growth strategy, including strategic acquisitions. The fund raising exercises may, amongst others, involve issuance of Shares, other forms of securities and debt securities and/or external borrowings. Our ability to obtain additional financing, if and when required, will depend on our operating performance, the performance of the capital markets and other factors.

The issuance of additional Shares may dilute your interest in our Company in the event you do not participate in the corporate exercise. If we issue debt securities or resort to external borrowings, it may result in default and foreclosure on our assets if our operating cash flows are insufficient to meet our repayment obligations. In addition, certain credit facilities may contain covenants that could limit our ability to make additional acquisitions or obtain additional financing. Our ability to meet our repayment obligations and fund our capital expenditure will depend on the success of our business strategies and our ability to generate sufficient cash flows, which are subject to many uncertainties and contingencies beyond our control. Any inability to meet our payment obligations or to fund our capital expenditure may have a material effect on our business. Further, our ability to pay dividends may also be limited by the availability of excess funds after meeting our debt obligations.

Notwithstanding the above, we shall endeavour to ensure the additional issuance of Shares or debt securities is in the best interest of all shareholders of our Company and in line with our Company's requirement and business objective.

4.2.10 Our Qualifying Acquisition may face labour disputes

Our Qualifying Acquisition may have employees who are members of a trade union in any of the Target Countries in which our Qualifying Acquisition operate. There is a risk that the operations of our Qualifying Acquisition may be disrupted should the unionised employees be involved in strikes, work disruptions or other forms of collective action. A disruption in the operations of our Qualifying Acquisition may have an adverse effect on the financial performance of our Qualifying Acquisition and consequently the performance of our Company.

To reduce our reliance on manual labour, our Company may introduce automation process where possible. Further, our Company will offer attractive remuneration package that commensurate with their experience and skill sets.

4.2.11 Failure to successfully implement our post-acquisition growth strategy

The potential post-acquisition growth strategies that we may implement for our Qualifying Acquisition may amongst others, include organic growth and/or strategic acquisitions as set out in Section 7 of this Prospectus. While the potential post-acquisition growth strategies have been formulated after careful consideration, it should be noted that the implementation of our growth strategy for our Qualifying Acquisition will depend on the characteristics of our Qualifying Acquisition.

We may have acquired a good F&B business but we believe that our future success depends on our ability to implement our growth strategy by leveraging the existing market presence of the products. Our sales and results of the operations may be affected if we fail to implement our growth strategy which depends, among other things, on our ability to:

(i) widen and deepen market or channel penetration of our products;

(ii) compete successfully in the market segment in which we choose to operate;

(iii) introduce new and appealing products and innovate successfully on our existing products;

(iv) develop awareness and continue to maintain consumers' interest in our brands and products; and

(v) increase our brand recognition and loyalty through marketing activities and campaigns.

The implementation of our potential post-acquisition growth strategy for our Qualifying Acquisition may also result in our Company facing business and operation risks, including among others, insufficient cash flow, shortage of managers, technical and other personnel.

Failure to implement our potential post-acquisition growth strategy may have an adverse effect on our financial performance and our ability to grow and develop our Qualifying Acquisition.

There can be no assurance that we will be able to formulate and implement an effective post-acquisition growth strategy for our Qualifying Acquisition.

4.2.12 Repatriation of profits

The Target Countries for our Qualifying Acquisition currently include countries other than Malaysia, namely Indonesia, the Philippines, Singapore, Thailand and Vietnam. These Target Countries may currently have or may in the future implement laws or regulations that limit or prohibit companies operating in them from repatriating their profits overseas. This may limit our ability to, amongst others, obtain funds from our Qualifying Acquisition to be re-invested in the Target Countries and/or for distribution to our shareholders.

We will appoint foreign adviser(s) to ensure that we comply with all relevant laws relating to the repatriation of profits of the Target Countries in which our Qualifying Acquisition may operate,, and will monitor any changes in such laws. Nevertheless, the laws governing the repatriation of profits in the Target Countries are beyond our control and there can be no assurance that our ability to repatriate profits from our Qualifying Acquisition to be re-invested in the Target Countries and/or for distribution to our shareholders will not be adversely affected by these laws.

4.3 RISKS RELATING TO THE F&B INDUSTRY

4.3.1 Global economic slowdown

Any prolonged and/or widespread global economic slowdown would affect consumers' confidence and spending. The increasing uncertainty over global and domestic economies may cause consumers to exercise more caution in their spending, which may in turn reduce their purchases of some types of Processed F&B products. This may have a negative impact on the performance of operators within the Processed F&B industry as the general public is ultimately the end-consumer.

Although an economic slowdown would affect consumers' spending in general, the impact on consumers' spending on F&B products as a whole may be less severe as food products including Processed F&B products, are generally considered as necessities. As such, consumers are likely to continue purchasing Processed F&B products during an economic slowdown, although they may switch to lower priced items. In addition, certain types of Processed F&B products, for instance rice-based noodles and other products which are regarded as staple food in some countries, are less likely to be affected by an economic slowdown.

(Source: IMR Report)

We are exposed to the risks related to a global economic slowdown as we intend to acquire Qualifying Acquisition that operates in the Processed F&B industry. Nevertheless, global economic conditions are beyond our control. There can be no assurance that a global economic slowdown will not have an adverse effect on the performance of our Company.

4.3.2 Reputation risk

The reputations of operators in the Processed F&B industry are sensitive to public perception as F&B products are consumed directly by the general public. Improper processing, storage or handling during the processing, manufacturing or distribution phases may cause F&B products to become contaminated, which might result in food poisoning or other illnesses.

An operator may also become the target of malicious sabotage or rumours that are intended to damage its reputation. Harmful substances may be maliciously introduced into an operator's F&B products. Rumours making unfounded claims of harm resulting from consuming an operator's F&B products may be circulated.

Incidences of F&B contamination, sabotage or rumours may have an adverse impact on the brand name, reputation and public perception, which in turn may have a negative effect on the demand for their products. An operator may have to recall their F&B products, and may be subjected to administrative action or penalties by the relevant authorities. These may have an adverse effect on the financial performance and future prospects of an operator.

Operators that continually ensure the safe and proper handling of food and ingredients through the entire F&B manufacturing and distribution process are in a better position to reduce the risk of food contamination. In addition, manufacturers who comply with recognised food safety standards, such as GMP, GHP, and HACCP would reduce the risk of contamination.

(Source: IMR Report)

As we intend to acquire Qualifying Acquisition that is involved in branding and marketing, manufacturing and/or the wholesale distribution of branded packaged F&B products, we are exposed to reputation risk. We intend to take all prudent measures to minimise the risk of food contamination. While incidences of sabotage and rumours are largely outside of our control, we intend to investigate any incidences that may occur with the relevant authorities and communicate with consumers in a transparent and timely manner. Nevertheless, there can be no assurance that we will not be affected by reputation risk that has an adverse effect on our financial performance.

4.3.3 Fluctuations in the prices of raw materials and ingredients

Various types of raw materials and ingredients are used by the Processed F&B industry to manufacture F&B products including, among many others, meat, poultry, seafood products, dairy products, fruits and vegetables, grains, edible oils, sugar, water, salt and spices. As such, an increase in the price of raw materials and ingredients that is not passed on to end consumers could have an impact on an operator's financial performance. Alternatively, if the increase in cost is passed onto consumers, an operator's price competitiveness may be reduced.

While manufacturers in the Processed F&B industry are the operators that are most directly affected by fluctuations in the prices of raw materials, operators that are involved in branding and marketing, and distribution may also be affected. Operators that are only involved in branding and marketing may be faced with higher costs as their contract manufacturers pass the increase in raw material prices on to them. Their financial performance may be adversely affected if they do not pass the increase in costs to end consumers, or factor into their F&B products. However, they may become less competitive if they pass the cost increase down to end consumers.

The financial performance of operators that are only involved in distribution may be adversely affected if they do not pass the increase in costs on to end consumers. Alternatively, the price competitiveness of the F&B products they distribute may be reduced if they pass the cost on to end consumers.

The raw materials and ingredients that are used to manufacture Processed F&B products are generally commodities that are subject to global market prices. Hence, all operators that use these raw materials are equally affected by price fluctuations.

(Source: IMR Report)

We are exposed to the risks relating to fluctuations in the prices of raw materials and ingredients as we intend to acquire Qualifying Acquisition that is involved with branded packaged F&B products. Our Company has the option of entering into various forward and hedging contracts to hedge our position as high proportion of the raw materials and ingredients are traded commodities. Nevertheless, there can be no assurance that fluctuations in the prices of raw materials will not have an adverse effect on our performance.

4.3.4 Mislabelling of F&B products' content

Mislabelling of F&B products' content, including providing inaccurate information regarding its contents may result in people consuming ingredients that they are allergic to, which are not safe for their consumption or which are against their religious or other beliefs or preferences.

The brand name, reputation and public perception of an operator may be adversely affected if it has been found to be dealing in mislabelled F&B products, either as brand owner and marketer, a manufacturer, and/or distributor, which in turn may reduce demand for its F&B products. The operator may, among others, have to recall its F&B products, be subject to administrative action by the relevant authorities, be required to compensate affected end consumers, and/or be subject to legal action resulting from product liability claims. These actions may have an adverse effect on the financial performance and future prospects of an operator.

Operators involved in branding and marketing who engage third parties to manufacture F&B products on their behalf may reduce the risk of product mislabelling by engaging certified manufacturers, and conducting independent testing to verify the F&B products' contents.

Operators involved in manufacturing that have obtained quality certification are able to provide some assurance to consumers that their F&B products are of a certain quality. These operators would send their products for third-party certification to prove that quality and safety requirements are complied with, and verified by independent testing.

Operators involved in branding and marketing and/or manufacturing may appoint a brand committee or similar body responsible for, among others, approving the formulation and manufacturing process of their F&B products. Approval from the brand committee must be obtained before any changes to a F&B product's formulation or manufacturing process are allowed.

Operators involved in distributing F&B products may reduce their exposure to the risk of product mislabelling by distributing products from reputable brands or manufacturers.

(Source: IMR Report)

As we intend to acquire Qualifying Acquisition that is involved with branded packaged F&B products, we are exposed to the risks relating to mislabelling of F&B products' content. As the responsibilities are mainly held by our Company, we will endeavour to adopt the necessary standard operating procedure and guideline to ensure that such risk will be fully minimised. While we will take all possible measures to ensure that our F&B products are accurately labelled, there can be no assurance that we will not be adversely affected by mislabelled products' content.

4.3.5 Availability of raw materials and ingredients

Operators in Processed F&B Industry are dependent on the consistent supply of suitable raw materials and ingredients for the production of F&B products. A diverse range of raw materials and ingredients are used to produce F&B products including, among many others, meat, poultry, seafood products, dairy products, fruits and vegetables, grains, edible oils, sugar, water, salt and spices. The supply of these and other raw materials and ingredients may be affected by external factors such as the occurrence of natural disasters, political events and adverse weather conditions, and are subject to fluctuation. Fluctuations in the supply of food ingredients may result in price fluctuations. The risks relating to fluctuations in the prices of raw materials and ingredients are discussed in Section 4.3.3 of this Prospectus.

Fluctuations in the supply of a raw material or ingredient may reduce the quantity available, which may result in shortages. This in turn may lead to a disruption in the production of certain types of F&B products. A disruption in the production of F&B products may have an adverse effect on the financial performance of the operators that are involved with the F&B products, including branding and marketing, manufacturing and distributors.

In some instances, an operator may be able to respond to a shortage of a raw material or ingredient by modifying the formulation or production process of their F&B product such that the usage of the raw material or ingredient in question is reduced, and/or substitute its use with another raw material or ingredient. Operators may also seek to reduce the risk of supply shortage by obtaining their raw materials and ingredients from a range of alternative sources, as a supply disruption may be restricted to a particular location or country.

(Source: IMR Report)

We are exposed to the risks relating to the availability of raw materials and ingredients as we intend to acquire Qualifying Acquisition that is involved with branded packaged F&B products. Our Company has the option of entering into long term supply contracts with suppliers, or entering into forward contracts for raw materials and ingredients that are traded commodities. Nevertheless, there can be no assurance that we will successfully obtain sufficient quantities of raw materials and ingredients to prevent shortages that will have an adverse effect on our performance.

4.3.6 Product liability

In general, operators in the Processed F&B industry serve the general public directly as members of the general public are the main end consumers of F&B products. As a result, operators in the Processed F&B Industry are exposed to the risk of product liability arising from, among others, manufacturing defects, design defects, or defective warnings or instructions.

Members of the public claiming damages from these defects may take legal action against an operator, which may have an adverse financial impact on its business, as well as create bad publicity that may damage its brand and reputation. While manufacturers are likely to be the most directly exposed to the risk of public liability (as the party manufacturing the F&B products), operators involved in branding and marketing, and distribution may also be face legal action for negligence.

Operators in the Processed F&B Industry may mitigate the risk posed by product liability by obtaining product liability insurance. Operators may also exercise due care and consideration in their operations. For example, manufacturers may implement food processing, handling and storage procedures that are in line with internationally recognised standards or practices. Operators that are involved in branding and marketing may follow the relevant advertising guidelines and regulations, while operators involved in distribution may ensure that their F&B products are stored and handled in the proper manner. Operators may also ensure that their F&B products are accurately labelled in accordance with the relevant guidelines and regulations.

(Source: IMR Report)

We are exposed to the risks relating to product liability as we intend to acquire Qualifying Acquisition that is involved with branded packaged F&B products. To address product liability risk, our Company will obtain product liability insurance that is sufficient to cover the potential exposure of our Qualifying Acquisition. We may engage an independent insurance broker or agent to assist us in determining the level of insurance coverage required. We will also take due care and consideration with respect to our Qualifying Acquisition's operations to minimise the risk of product liability, where relevant, by implementing food processing, handling and storage procedures that are in line with internationally recognised standards or practices, adhering to relevant advertising guidelines and regulations and ensuring that our F&B products are accurately labelled in accordance with the relevant guidelines and regulations. Nevertheless, there can be no assurance that our Company will not be adversely affected by claims of product liability.

4.3.7 Adverse political, economic and regulatory developments

Adverse developments in political, economic and regulatory conditions could unfavourably affect the financial position and business prospects of operators in the Processed F&B industry. These risks include, among others, the risk of war or civil disturbance, changes in political leadership, changes in foreign exchange rate policy, changes in interest rates, methods of taxation and unfavourable changes in government policies such as introduction of new regulations, import restrictions and duties, export restrictions and duties, and tariffs.

Operators in the Processed F&B industry may reduce the risk of political, economic and regulatory considerations by diversifying their operations in terms of the countries and markets served, as well as their F&B product range.

(Source: IMR Report)

As we intend to acquire Qualifying Acquisition that is involved in the Processed F&B industry, we are exposed to the risks arising from adverse political, economic and regulatory developments. Our Company will take efforts to diversify our range of products and markets, improve on our marketing and distribution strategies as well as pre-empting certain regulations to mitigate any possible adverse impact on us from any adverse development in political, economic and regulatory authorities.

Depending on the nature of our Qualifying Acquisition, our operations may initially focus on a single country. As part of our post-acquisition strategy, we will take steps to diversify our business operations through organic growth and/or strategic acquisitions, should any suitable acquisition targets be identified.

Nevertheless, the occurrence and nature of political, economic and regulatory changes are beyond our control and there can be no assurance that adverse political, economic and regulatory factors will not have an adverse effect on our financial performance and prospects.

4.4 RISKS RELATING TO OUR IPO

4.4.1 There is no prior market for our Shares and Warrants and an active market for our Shares and Warrants may not develop after Listing

Prior to our IPO, there has been no public market for our Shares and Warrants. There can be no assurance that an active and liquid market for our Shares and Warrants will develop upon or subsequent to our Listing or, if developed, that such a market will be able to sustain. You may not be able to dispose the Shares and Warrants unless our Shares are traded with sufficient liquidity. We believe that various factors could result in price fluctuation and may adversely affect the market price of our Shares and Warrants. The Issue Price has been determined after taking into consideration factors stated in Section 3.7 of this Prospectus. There can be no assurance that the Issue Price will correspond to the price at which our Shares will trade on the Main Market of Bursa Securities upon or subsequent to our Listing.

4.4.2 Investment in the capital market exposes our IPO Investors to capital market risk

The market price of our Shares and Warrants may be influenced by various factors, some of which are beyond our control, including those as described above. In addition, the stock markets have experienced price and volume fluctuations that affected many companies, including companies operating in the F&B industry. The market price of our Shares and Warrants could be affected by numerous factors, including the following:

(i) differences in our actual financial and operating results and those expected by investors and analysts;

(ii) actions by us or our competitors, such as strategic acquisitions, restructurings, significant contracts, acquisitions, joint marketing relationships, joint ventures, or capital commitments;

(iii) variations in our quarterly results of operations and those of our competitors;

(iv) general economic and stock market conditions;

(v) changes in conditions or trends in our industry, geographies or customers;

(vi) perceptions of the investment opportunity associated with our Shares and Warrants relative to other investment alternatives;

(vii) the public's reaction to our press releases, other public announcements and filings with Bursa Securities;

(viii) our involvement in litigation, arbitration or other forms of legal dispute;

(ix) additions or departures of our Directors or Management Team;

(x) actual or anticipated growth rates relative to our competitors; and

(xi) speculation by the investment community regarding our business.

Notwithstanding the performance of our Company, the market value of our securities is dependent on the performance of the local bourse and other prevailing external factors such as the performance of the regional and world bourses and the inflow or outflow of foreign funds. Over the past few years, the Malaysian, regional and global equity markets have experienced significant price and volume volatility that have affected the share prices of many companies. There is no assurance that the price and trading of our Shares will not be subject to the same fluctuations. As a result of these factors, investors in our Shares may not be able to dispose their shares at or above the Issue Price or may not be able to dispose them at all.

4.4.3 IPO Investors would face immediate and substantial dilution in the NA per Share after our IPO

The Issue Price is higher than our NA per Share before our IPO. This is mainly because Raintree effectively paid RM0.05 per Share when they invested in our Company prior to our IPO. In addition, our pro forma NA per Share after our IPO does not fully reflect our IPO proceeds as our IPO Trust Proceeds are deemed as a liability component to our Company due to accounting classification prior to the completion of our Qualifying Acquisition. Therefore, our shareholders will experience an immediate dilution of RM0.46 per Share based on our pro forma NA per Share of RM0.04, after our IPO and adjusting for the estimated Listing expenses.

After the completion of our Qualifying Acquisition, our IPO Trust Proceeds (after deducting the amount used for our Qualifying Acquisition Share Repurchase, if any) shall be reclassified as equity as we would have no further obligation to refund our IPO Trust Proceeds to our shareholders. Accordingly, our pro forma NA per Share will be RM0.39 and our shareholders will experience dilution in the pro forma NA per Share of RM0.11. Thereafter, assuming full exercise of the Warrants, our pro forma NA per Share will be RM0.45 and our shareholders will experience dilution of RM0.05 per Share. Please refer to Section 3.10 of this Prospectus for further information on dilution effects to our IPO Investors.

In the future, after the completion of our Qualifying Acquisition, we may require additional funding and we may consider offering and issuing additional Shares or equity-linked securities. Our shareholders may experience further dilution in NA per Share if we issue additional Shares or equity-linked securities in the future.

4.4.4 Unforeseeable events could result in the delay in our Listing or the termination of our Listing exercise

The occurrence of any one or more of the following events, which is not exhaustive, may cause a delay in our Listing or cause our Listing to be terminated:

(i) our inability to meet the public spread requirement as determined by Bursa Securities, i.e. at least 25.00% of the total number of Shares for which Listing is sought must be held by a minimum number of 1,000 public shareholders holding not less than 100 Shares each at the point of our Listing; or

(ii) our inability to secure investors to take up the Placement Portion in a timely manner; or

(iii) our inability to raise RM400 million under our IPO; or

(iv) the Joint Managing Underwriters and Joint Underwriters exercising the rights pursuant to the Retail Underwriting Agreement to discharge themselves from their obligations thereunder; or

(v) the revocation of approvals from the relevant authorities for our Listing for whatever reasons; or

(vi) any unexpected and uncontrollable event(s), which are beyond our control before our Listing.

In such an event, our Board will endeavour to take the necessary steps in the best interests of our Company and its shareholders as well as the economic conditions at that point in time, including, subject to restrictions set out in Section 4.4.5 below, return in full without interest, all monies paid in respect of any Applications accepted. Our Board will endeavour to ensure compliance with the various requirements for our successful Listing.

4.4.5 Delay between Admission and trading of the Public Issue Shares and Warrants may result in prolonged delays or the inability for investors to recover monies paid in respect of the Public Issue Shares

After the Public Issue Shares and Warrants have been issued and allotted and/or allocated to the respective investors' CDS accounts, which would occur at least two (2) Market Days prior to the anticipated date for Admission, it may not be possible to recover monies paid in respect of the Public Issue Shares and Warrants from us in the event the Admission and the commencement of trading on the Main Market of Bursa Securities do not occur.

Delays in the Admission and the commencement of trading in shares on Bursa Securities have occurred in the past. In respect of the Public Issue Shares, following their issuance and allotment to investors, a return of monies to such investors may be effected by way of a reduction of our share capital. A capital reduction would require the approval by special resolution of our shareholders as well as the sanction of the Malaysian High Court, which sanction and timing thereof is not within the control of our Company.

4.4.6 The determination of the Issue Price is more arbitrary compared with the pricing of securities for an operating company

Prior to this offering, there has been no public market for any of our securities. Factors considered in determining the prices and terms of the Public Issue Shares and the Warrants include:

(i) the total proceeds of RM400,000,000 to be raised under our IPO so that our Company may be well-placed to seek out a suitable asset for the purpose of completing our Qualifying Acquisition within the Permitted Timeframe;

(ii) the affordability of our Shares to the public at large; and

(iii) the minimum issue price allowable for an initial public offering of RM0.50 under the Equity Guidelines.

Although these factors were considered, the determination of our Issue Price is more arbitrary compared to the pricing of securities for an operating company since it is not based on our financial performance.

The theoretical fair value of the Warrants was derived in part from the value of the Public Issue Shares and also based on certain assumptions including the expected Share price volatility, time value of the Warrants, as well as the exercise price of the Warrants after completion of our Qualifying Acquisition.

No assurance can be given that Warrants will trade at this theoretical fair value after our Listing.

4.4.7 Forward-looking statements may not be reflective of our future prospects

Our Prospectus contains forward-looking statements which are based on our current expectations and assumptions regarding our business, the economy and other future conditions. The interpretation and uncertainties of this information should be carefully considered by the investors and should not be regarded as a representation by our Company and our advisers that the objectives and the future plans of our Company will be achieved. Any differences in the expectation of our Company from our actual performance may result in our Company's financial and business performances and plans to be either materially or immaterially, different from those anticipated.

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VITAL FACTOR CONSULTING
Creating Winning Business Solutions

Vital Factor Consulting Sdn Bhd
(Company No: 266797-T)
V Square @ PJ City Centre (VSQ)
Block 6 Level 6, Jalan Utara
46200 Petaling Jaya
Selangor, Malaysia
Tel (603) 7931 3188
Fax (603) 7931 2188
www.vitalfactor.com

8 October 2015

The Board of Directors
Red Sena Berhad
Level 15.01, 1 First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs and Madam

Independent Assessment of the Processed Food and Beverage Industry in ASEAN Countries

The following is an Independent Assessment of the Processed Food and Beverage (F&B) Industry in the Association of Southeast Asian Nations (ASEAN) countries prepared by Vital Factor Consulting Sdn Bhd (Vital Factor) for inclusion in the prospectus of Red Sena Berhad (Red Sena) in relation to its listing as a Special Purpose Acquisition Company (SPAC) on Bursa Malaysia Securities Berhad (Bursa Securities).

1. INTRODUCTION AND BACKGROUND

- Red Sena was established with the intention to acquire an operating business or a number of operating businesses referred to as Qualifying Acquisition (QA). The core operational focus of the QA is some combination of the three following key areas of the branded packaged F&B value chain:
  - branding and marketing;
  - manufacturing;
  - wholesale distribution.

  Red Sena will consider a QA that is involved in branding and marketing only, or in branding and marketing and some combination of the other two key areas. Red Sena will also consider a QA that is involved in manufacturing and wholesale distribution. However, Red Sena will not consider a QA that is solely and exclusively involved in either manufacturing or wholesale distribution.

- Red Sena will focus on QA whose operations are located in either one or more of the following ASEAN countries:
  - Malaysia;
  - Indonesia;
  - The Philippines;
  - Singapore;
  - Thailand;
  - Vietnam.

  Within the context of this report, these countries will be referred to individually or collectively as "Target Countries".

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- Processed F&B are those that have undergone transformation to become a significantly different product compared to its original raw form. As such, food that is only cleaned, cut or frozen, and beverages that are only filtered are generally not regarded as processed F&B.

- The focus of this report is on processed F&B targeted at the consumer market, which are commonly packaged in individual or household sizes, and are commonly made available in retail stores such as hypermarkets, supermarkets, minimarkets, provision shops and convenience stores. These products are commonly branded and packaged, which is the focus of Red Sena's prospective business intention. Processed F&B products that are not branded and packaged are primarily sold in large quantities for use as intermediate products for manufacturing, repackaging and food services.

- Based on the business intentions of Red Sena, this report will focus on the Processed F&B Industry in ASEAN countries in general and Malaysia, Indonesia, the Philippines, Singapore, Thailand and Vietnam in particular.

- Within the context of this report and where relevant, the term "food" is taken to also include beverages.

- Where appropriate, the following exchange rates relative to USD1.00 as at 30 September 2015 were used:
  - MYR4.45;
  - IDR14,659.98;
  - PHP46.77;
  - SGD1.43;
  - THB36.37;
  - VND22,482.45.

2. MACROECONOMIC AND SOCIOECONOMIC INDICATORS

- Food is necessary for the sustenance of human life. However, as society advances, more and more of everyday foods are processed and transformed to products that are very different from their original raw form. Processed foods are created primarily to appeal to some combination of the following consumers' environment, needs and wants:
  - change in preferences in taste;
  - desire for new and improved tastes;
  - need for better or more balance nutrition;
  - requirement for high standards of food hygiene and safety;
  - lifestyles that place a premium on convenience.

- Processed F&B, due to its wide product spectrum, are both necessity as well as discretionary items. As such, demand for processed F&B products is generally influenced by a country's economic and social conditions, which are reflected by the performance of macroeconomic indicators such as Gross Domestic Product (GDP) per capita and social indicators like population and consumption expenditure.

- This section discusses the socio-economic performance of the Target Countries. A discussion of the socio-economic performance of the ASEAN region and other regions is provided for comparison purposes.

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2.1 Regional Comparisons

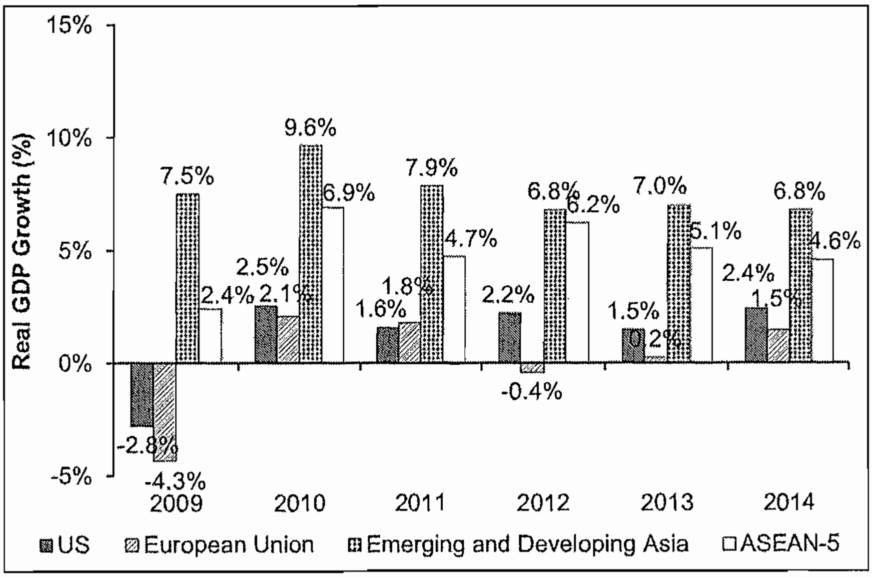
2.1.1 Gross Domestic Product

- GDP is a measure of the gross value added in the output of goods and services in a country during a specified period of time, and as a result it is an indicator of the overall size of a country's economy. GDP growth is commonly measured by comparing a particular year or quarter's GDP with that of the preceding year or quarter, and is commonly expressed as a percentage, which may be positive (indicating that the value of GDP grew over time) or negative (indicating that the value of GDP declined over time).

- Real GDP is a method of measuring GDP that takes into account the effect of changes in the prices of goods and services over time (i.e. for the effects of inflation or deflation). Real GDP generally provides a more meaningful measure of "real" changes in output as any changes from period to period are due to changes in the quantity of goods and services produced, and not due to changes in their prices.

- GDP can also be measured in "nominal" terms, where no adjustments are made to take into account the effects of inflation or deflation. Nominal GDP is also known as GDP measured at current prices.

Real GDP Growth Rates



ASEAN-5 = Comprises Indonesia, Malaysia, the Philippines, Thailand and Vietnam
Emerging and Developing Asia = Comprises 29 countries, namely Bangladesh, Bhutan, Brunei Darussalam, Cambodia, China, Fiji, India, Indonesia, Kiribati, Lao PDR, Malaysia, Maldives, Marshall Islands, Micronesia, Mongolia, Myanmar, Nepal, Palau, Papua New Guinea, the Philippines, Samoa, Solomon Islands, Sri Lanka, Thailand, Democratic Republic of Timor-Leste, Tonga, Tuvalu, Vanuatu and Vietnam
EU = Comprises 28 countries, namely Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and United Kingdom
(Source: Vital Factor analysis)

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- The Global Financial Crisis (GFC) is widely regarded to have begun in the middle of 2007 with the subprime mortgage crisis in the United States (US), before spreading to a number of other countries through a combination of direct exposure to subprime mortgages, loss of confidence in other financial assets, and a slowdown in financing between financial institutions.

- The GFC had a negative effect on the economies of many countries, particularly the US and European Union (EU). The real GDP of the US contracted by 2.8% in 2009, before recovering in 2010 with real GDP growth rate of 2.5%. The US economy continued to grow between 2011 and 2014, with real GDP growth rates ranging from 1.5% to 2.4% during this period.

- The real GDP of the EU contracted by 4.3% in 2009. The Eurozone crisis, which is widely regarded to have started in early 2009, contributed towards the decline in the real GDP of the EU and continued to dampen economic growth in that region. The real GDP of the EU grew by 2.1% in 2010 and 1.8% in 2011, before contracting by 0.4% in 2012. The real GDP of the EU expanded by 0.2% in 2013 and 1.5% in 2014.

- The Emerging and Developing Asia and ASEAN-5 countries were less negatively affected by the GFC, with real GDP growth rates of 7.5% and 2.4% respectively in 2009.

- Emerging and Developing Asia and ASEAN-5 recovered strongly from the GFC, with real GDP growth rates of 9.6% and 6.9% respectively in 2010. Between 2011 and 2014, Emerging and Developing Asia and ASEAN-5 continued to experience comparatively strong real GDP growth. Real GDP growth between 2011 and 2014 ranged from 6.8% and 7.9% for Emerging and Developing Asia, and 4.6% and 6.2% for ASEAN-5.

- In 2013, China made the largest contribution towards real GDP growth of Emerging and Developing Asia. This was due to its own relatively strong real GDP growth of 7.7% in 2013, and its position as the largest economy among the Emerging and Developing Asia countries.

- All of the ASEAN-5 countries recorded positive real GDP growth in 2013 and 2014. The countries that made the largest contribution towards the region's real GDP growth in 2014 were the Philippines, Malaysia and Vietnam, which recorded real GDP growth rates of 6.1%, 6.0% and 6.0% respectively.

- Positive real GDP growth provides a more favourable platform for increased demand for goods and services, including processed F&B products. The relatively favourable recent real GDP growth rates recorded by ASEAN-5 also augurs well for businesses that operate in or intend to operate in one or more of these countries, such as Red Sena.

2.1.2 Growth in GDP per Capita based on Purchasing Power Parity

- The Purchasing Power Parity (PPP) exchange rate is a theoretical exchange rate that expresses the rate at which the currency of one country would have to be exchanged into another to buy the same basket of goods and services in both countries. The PPP method takes into consideration the domestic purchasing power of a country's currency relative to other currencies.

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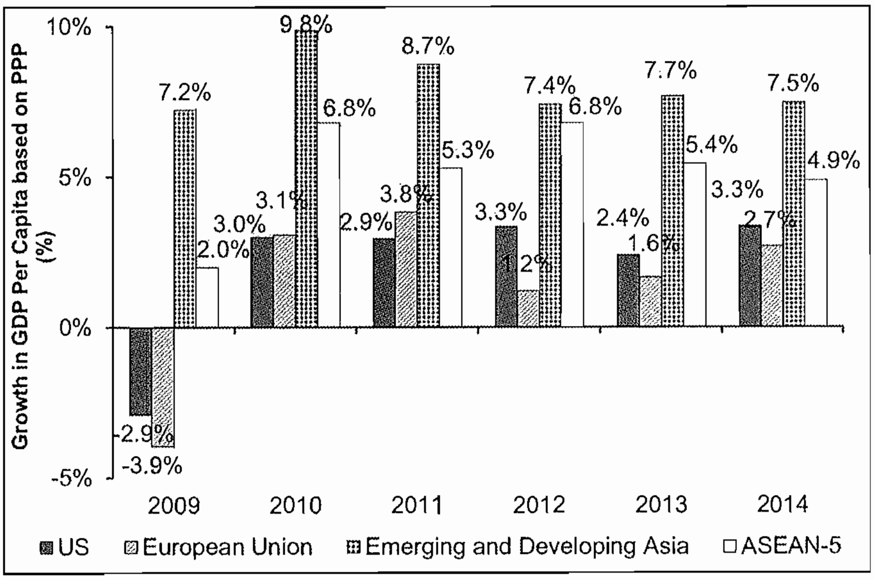
- A country's GDP per capita based on PPP provides a measure of the output of each member of the country's population that is adjusted for the domestic purchasing power of that country's currency. It provides a measure of the population's general economic wellbeing. GDP per capita is calculated by dividing a country's GDP by its population, and adjusting the value by the PPP exchange rate. Growth in GDP per capita based on PPP is commonly measured by comparing its value in a particular year with that of the preceding year, and is commonly expressed as a percentage.

- Positive GDP per capita based on PPP growth generally indicates that, on average, each person in the country generated more compared to the previous year. This suggests that the average person has more resources available for consumption of goods and services, including processed F&B. Sustained positive growth in GDP per capita based on PPP is generally regarded as an indicator of increasing affluence of a country's population.

- Negative growth in GDP per capita based on PPP generally indicates that output per person declined compared to the previous year, and suggests that the average person has fewer resources available for consumption of goods and services, including processed F&B.

Growth in GDP Per Capita based on PPP



(Source: Vital Factor analysis)

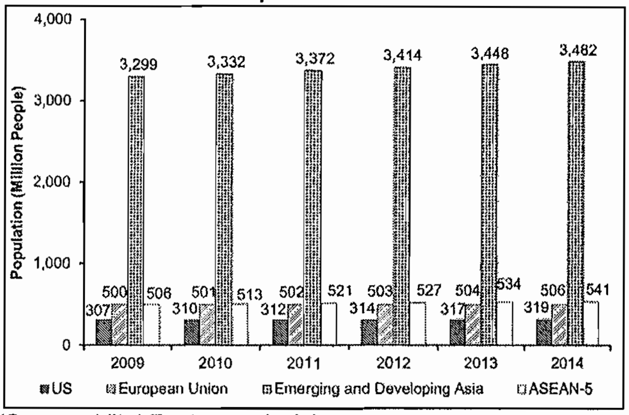
- GDP per capita based on PPP of the US and EU declined in 2009, mirroring the decline in their real GDP brought about by the GFC. Between 2009 and 2014, both the Emerging and Developing Asia and ASEAN-5 countries experienced relatively higher growth in GDP per capita based on PPP compared to the US and EU. This will bode well for businesses that are involved in consumer products, such as processed F&B, operating in Emerging and Developing Asia and ASEAN-5 countries.

2.1.3 Population

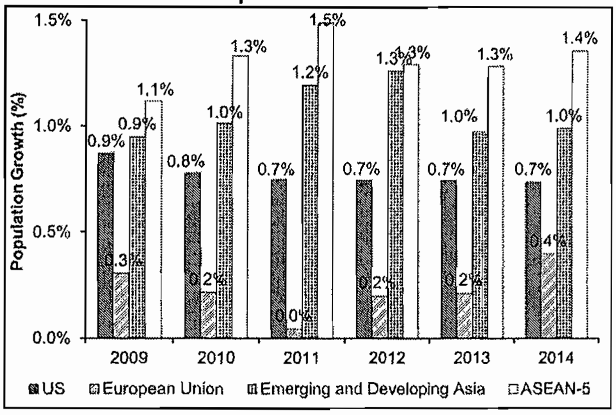
- Population size is an important consideration for consumer-focused products and services, such as processed F&B in general and branded and packaged F&B products in particular, that are targeted at the general population. A large population will indicate that there is a large number of potential customers for a company's products and services.

- Population growth helps to support growth in demand for processed F&B as the number of potential customers increases over time.

Population Size



Population Growth



(Source: Vital Factor analysis)

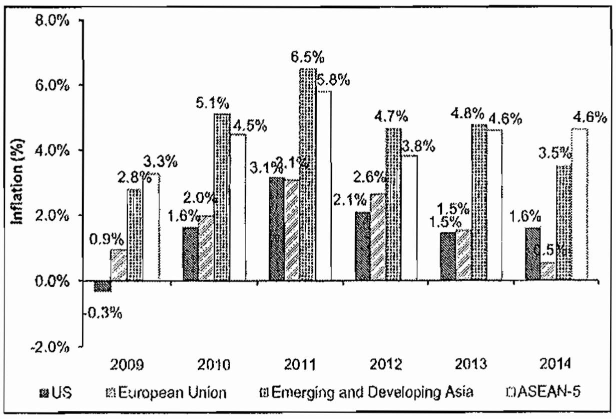
- The Emerging and Developing Asia countries had a combined population of approximately 3.5 billion in 2014, while the combined population of the ASEAN-5 countries exceeded that of the US and EU.

- The population growth rates of Emerging and Developing Asia, and ASEAN-5 were higher compared to the US and EU between 2009 and 2014. The larger populations combined with the higher population growth rates of the Emerging and Developing Asia and ASEAN-5 countries suggest that the potential customer base for consumer products and services in these regions grew more in absolute terms, compared to the US and EU.

2.1.4 Inflation

- Inflation is a measure of the increase or decrease in the general price level of goods and services in a country over time. The rate of inflation rate is usually assessed on a yearly basis, and expressed as a percentage change compared to the preceding year. A period of high inflation generally has a dampening effect on consumption, including consumption of processed F&B products, as it indicates that a smaller quantity of goods can be purchased with a given amount of money. This is especially true if wages fail to keep pace with inflation.

Inflation Rates



(Source: Vital Factor analysis)

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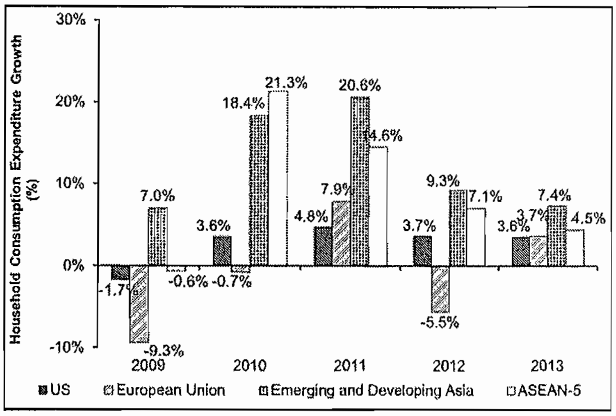
- A negative inflation rate indicates a decline in the general price level of goods and services, and is commonly known as "deflation". This is not always desirable, especially if consumers defer current consumption in the expectation that prices will fall further in the future. Companies operating in a deflationary environment may experience a fall in revenue.

- Inflation rates for Emerging and Developing Asia, and ASEAN-5 were consistently higher compared to the US and the EU between 2009 and 2014. This is not necessarily a cause of concern, however, as the economies of Emerging and Developing Asia, and ASEAN-5 are also consistently expanding at a faster "real" rate, as evidenced by their higher real GDP growth rates over this period.

2.1.5 Household Consumption Expenditure

Household Consumption Expenditure



(Source: Vital Factor analysis)

- Household consumption expenditure measures the value of specified goods and services purchased by the households in a country. Examples of the goods involved include non-durable items such as food, beverages and clothing; durable goods such as cars and household appliances; and services such as education, healthcare, rental and utilities.

- Change, measured as positive or negative growth rate, indicates the year-to-year changes in spending on these goods and services by all of the households in a country. Thus, a country with positive growth rate indicates that on average, households in the country are buying more goods and services compared to the previous year. As such, generally businesses that sell products and services, which include processed F&B products, to the population or consumers would experience overall higher sales compared to the previous year.

- Between 2009 and 2013 (the most recent year for which these statistics are available) household consumption expenditure for the Emerging and Developing Asia, and ASEAN-5 countries generally outpaced those of US and EU, with the exception of 2009 where ASEAN-5 declined marginally. Household consumption expenditure during this period was weakest in 2009 in the countries and regions covered, mainly due to the flow-on effect of the GFC.

- Household consumption expenditure for US, Emerging and Developing Asia, and ASEAN-5 recovered in 2010 with positive growth between 2010 and 2013. Although household consumption expenditure in the EU returned to positive growth in 2011, it declined by 5.5% in 2012.

- The growth in household consumption expenditure of Emerging and Developing Asia, and ASEAN-5 was lower in 2013 compared to 2012, which was in-line with the slight moderation of their respective real GDP growth rates for the same year.

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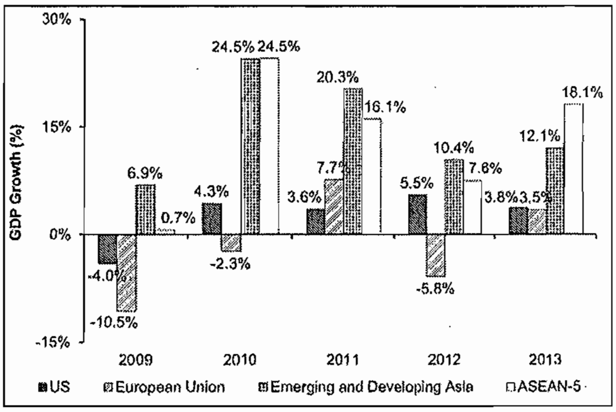
2.1.6 Wholesale, Retail Trade, Restaurants and Hotel Sectors

- The Wholesale, Retail Trade, Restaurants and Hotel sectors provide an indication of the overall performance of the supply chain that links manufacturers and producers to end-users for personal, household and institutional consumption. This segment also provides an indication of consumption by establishments involved in food services, such as restaurants and hotels.

GDP Growth of Wholesale, Retail Trade, Restaurants and Hotel Sectors at Current Prices



(Source: Vital Factor analysis)

- The Wholesale, Retail Trade, Restaurants and Hotel sectors are particularly relevant to the Processed F&B Industry in general as well as the branded packaged F&B sector in particular as manufacturers and suppliers rely on the supply chain for their products to reach the end-consumers. As such, growth in this segment implies increasing demand for F&B, which augurs well for operators in the F&B Industry, including the Processed F&B Industry.

- Emerging and Developing Asia, and ASEAN-5 saw continuing GDP growth in the wholesale, retail trade, restaurants and hotel sectors between 2009 and 2013 (the most recent year for which these statistics are available).

- In 2010, Emerging and Developing Asia, and ASEAN-5 saw the highest growth of the wholesale, retail trade, restaurants and hotel sectors between 2009 and 2013. This is consistent with their real GDP growth which also recorded the highest growth in the same period. Their high growth is a reflection of their fast recovery from the effects of the GFC compared to US and the EU.

2.2 Target Countries

2.2.1 Malaysia

Key Indicators for Malaysia

	2010	2011	2012	2013	2014	CAGR 2010-14 *(%)*
Real GDP Growth *(%)*...........	7.4	5.2	5.6	4.7	6.0	5.4
Nominal GDP (USD billion)....	255.0	298.0	314.4	323.3	338.1	7.3
Population [e] *(million)*...............	28.3	29.1	29.5	29.9	30.3	1.7
GDP Per Capita *(US$)*..........	8,920	10,253	10,653	10,797	11,049	5.5
GDP Per Capita Growth *(%)*..	19.9	14.9	3.9	1.4	2.3	-
Inflation Rate (%)....................	1.7	3.2	1.7	2.1	3.1	-
Unemployment Rate (%)........	3.3	3.1	3.0	3.1	2.9	-

CAGR = Compounded Annual Growth Rate; e = Mid-year estimate.
(Sources: Bank Negara Malaysia; Department of Statistics Malaysia; Vital Factor analysis)

- Malaysia's key macroeconomic indicators are relatively sound, with real GDP and GDP per capita growing at a CAGR of 5.4% and 7.3% respectively between 2010 and 2014. Malaysia experienced positive real GDP and GDP per capita growth over the past five years.
- The positive real GDP growth from 2010 to 2014 augurs well for the general economy indicating businesses in Malaysia were experiencing real growth as they sell more products and services, which would normally also result in a wealthier Malaysian population. A wealthier population would have higher disposable income to purchase more products and services.
- Malaysia's real GDP growth of 6.0% in 2014 exceeded those of more advanced economies of the US and the EU, which grew by 2.4% and 1.5% respectively, and of the ASEAN-5, which grew by 4.6%. Malaysia's real GDP growth rate was slightly lower than that of Emerging and Developing Asia, which grew by 6.8% in 2014.
- Malaysia's GDP per capita grew at a CAGR of 7.3% between 2010 and 2014. Growth was stronger in 2010 and 2011, before moderating between 2012 and 2014.
- Malaysia's total population was estimated at 30.3 million people in 2014, increasing at a CAGR of 1.7% between 2010 and 2014.
- Malaysia's nominal GDP grew by a CAGR of 7.3% between 2010 and 2014. However, in 2013, growth slowed to 2.8% before picking up in 2014 when nominal GDP grew by 4.6%. In 2014, Malaysia's nominal GDP of USD338.1 billion ranked third among the ASEAN-5 countries, although the country had the smallest population base in the country grouping.
- Between 2010 and 2014, inflation was generally under control in Malaysia, ranging from 1.7% and 3.2%.

2.2.2 Indonesia

Key Indicators for Indonesia

	2010	2011	2012	2013	2014	CAGR 2010-14 *(%)*
Real GDP Growth *(%)*...........	6.4	6.2	6.0	5.6	5.0	5.7
Nominal GDP (USD billion)....	755.3	892.6	919.0	912.5	888.6	4.1
Population *(million)*................	237.6	242.0	245.4	248.8	252.2	1.5
GDP Per Capita *(US$)*..........	3,178	3,689	3,745	3,667	3,524	2.6
GDP Per Capita Growth *(%)*..	28.9	16.5	1.5	(2.1)	(4.0)	-
Inflation Rate (%)...................	5.1	5.3	4.0	6.4	6.4	-
Unemployment Rate (%)........	7.1	6.6	6.1	6.3	6.1	-

(Source: Vital Factor analysis)

- Indonesia recovered from the GFC with real GDP growth of 6.4% in 2010. Economic growth was healthy between 2010 and 2014, with real GDP growing at a CAGR of 5.7%.
- In absolute terms, Indonesia had the largest nominal GDP among the Target Countries in 2014.

- Indonesia has the largest population among the ASEAN countries and the fourth largest globally, with 252.2 million persons in 2014. This represents approximately 47% of the Target Countries' total population in that year.

- With the largest nominal GDP and largest population among the Target Countries, Indonesia generally has favourable conditions for companies that intend to be involved in consumer-focused goods and services, such as processed F&B.

- However, Indonesia's inflation rate between 2010 and 2014 ranged between 4.0% and 6.4%, and was generally higher than Malaysia, the Philippines, Thailand and Singapore. Inflation may dampen general consumption as the general price level rises, particularly if average wages increase at a slower rate.

- In addition, the unemployment rate in Indonesia is the second highest among the Target Countries. A high unemployment rate may dampen consumer confidence resulting in a decreased propensity to make purchases. Nevertheless, Indonesia's large population provides some mitigation as the absolute size of its population should still translate into a large number of consumers.

2.2.3 The Philippines

Key Indicators for the Philippines

	2010	2011	2012	2013	2014	CAGR 2010-14 *(%)*
Real GDP Growth *(%)*	7.6	3.7	6.7	7.1	6.1	5.9
Nominal GDP (USD billion)	199.6	224.1	250.1	271.9	284.6	9.3
Population *(million)*	92.6	94.2	95.8	97.5	99.4	1.8
GDP Per Capita *(US$)*	2,155	2,379	2,611	2,789	2,862	7.3
GDP Per Capita Growth *(%)*	16.4	10.4	9.7	6.9	2.6	-
Inflation Rate (%)	3.8	4.7	3.2	2.9	4.2	-
Unemployment Rate (%)	7.3	7.0	7.0	7.1	6.8	-

(Source: Vital Factor analysis)

- The Philippines' economy grew relatively robustly between 2010 and 2014 with real GDP increasing at a CAGR of 5.9%. With the exception of 2011, real GDP grew by 6.0% or more during this period. This growth occurred despite relatively high unemployment, which ranged from 6.8% and 7.3% between 2010 and 2014.

- The strong real GDP growth of The Philippines augurs well for businesses involved in consumer products including the Processed F&B Industry. This is because a strong growth in real GDP translates to real growth in income for the population to buy more products and services.

- The Philippines' nominal GDP grew strongly with a CAGR of 9.3% between 2010 and 2014. However, The Philippines' nominal GDP of USD284.6 billion in 2014 was the second smallest among the Target Countries, although the country had the second largest population.

- The Philippines' GDP per capita grew relatively strongly with a CAGR of 7.3% between 2010 and 2014. A growing GDP per capita combined with moderate inflation of between 2.9% and 4.7% between 2010 and 2014 would translate to more disposal income for consumers to purchase goods and services.

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2.2.4 Singapore

Key Indicators for Singapore

	2010	2011	2012	2013	2014	CAGR 2010-14 *(%)*
Real GDP Growth *(%)*............	15.2	6.2	3.4	4.4	2.9	4.2
Nominal GDP (USD billion)....	236.4	275.4	289.9	302.2	307.9	6.8
Population *(million)*................	5.1	5.2	5.3	5.4	5.5	1.9
GDP Per Capita *(US$)*...........	70,598	74,949	77,023	80,443	83,066	4.1
GDP Per Capita Growth *(%)*..	20.7	14.1	2.7	2.6	0.6	-
Inflation Rate (%)....................	2.8	5.2	4.6	2.4	1.0	-
Unemployment Rate (%)........	2.2	2.0	2.0	1.9	2.0	-

Note: Singapore is not part of ASEAN-5 (Source: Vital Factor analysis)

- Singapore's economy recovered strongly from the GFC with real GDP growth of 15.2% in 2010. This surpassed the previous record of 13.8% that was set in 1970, and was the second highest real GDP growth rate in Asia during that year, after Qatar. The high real GDP growth rate was mainly due to a significant increase in manufacturing activities particularly in the biomedical sector, and supported by strong service sector growth of 8.8% in the fourth quarter of 2010 alone.

- In 2014, Singapore's real GDP grew by 2.9%. While this growth was greater than the US and the EU, which grew by 2.4% and 1.5% respectively, Singapore's real GDP growth was lower compared to Emerging and Developing Asian and ASEAN-5, which grew by 6.8% and 4.6% respectively in 2014.

- The standard of living in Singapore, as indicated by GDP per capita, is the highest among the Target Countries. Its high GDP per capita has placed it as an Advance Economy, sharing the same status as 36 other countries including Australia, France, Germany, Japan, United Kingdom and US. In 2014 the GDP per capita of Singapore was higher compared to the US (USD54,597) and the EU average (USD36,645). Between 2010 and 2014 Singapore's GDP per capita grew at a CAGR of 4.1%.

- Although Singapore has the smallest population among the Target Countries, its nominal GDP is larger compared to the Philippines and Vietnam.

- Singapore offers a unique opportunity for consumer based businesses due to its small physical size and population, but relatively large GDP and GDP per capita. This means that it contains one of the most densely populated areas of affluent consumers making consumer products easily reachable to virtual 100% of the population, compared to a country with a more spread out population or with a large rural population.

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2.2.5 Thailand

Key Indicators for Thailand

	2010	2011	2012	2013	2014	CAGR 2010-14 *(%)*
Real GDP Growth *(%)*...........	7.5	0.8	7.3	2.8	0.9	2.9
Nominal GDP (USD billion)....	340.9	370.6	397.5	420.2	404.8	4.4
Population *(million)*................	67.3	67.6	68.0	68.3	68.7	0.5
GDP Per Capita *(US$)*..........	5,063	5,479	5,849	6,152	5,896	3.9
GDP Per Capita Growth *(%)*..	20.2	7.9	5.4	5.3	(4.0)	-
Inflation Rate (%)....................	3.3	3.8	3.0	2.2	1.9	-
Unemployment Rate (%)........	1.1	0.7	0.7	0.7	0.8	-

(Source: Vital Factor analysis)

- In 2010 Thailand recovered from the effects of the GFC and political unrest in March and April 2009, recording strong real GDP growth of 7.5% during the year. Growth slowed down the following year, however mainly due to severe flooding during most of the second half of 2011, which disrupted business operations as well as logistics for import and export of products and parts.

- Real GDP growth picked up again in 2012 with 7.3% growth, but moderated to 2.8% in 2013. In 2013, Thailand experienced political unrest which began in November and continued until May 2014. The political unrest affected the country's tourism related industries badly, particularly during the fourth quarter of 2013. Lower real GDP growth in 2013 was also attributed to a drop in domestic demand as household consumption expenditure decreased, in particularly expenditure on automotive products *(Source: Office of Industrial Economics, Ministry of Industry Thailand)*. The country was also negatively affected by lower demand for its exports, particularly from the EU.

- Economic growth moderated further in 2014, with real GDP increasing by 0.9%. Although the services sector improved following an improvement in the country's political situation, the output of some industrial sectors such as the automotive industry, oil and gas refining, and light manufacturing declined *(Source: Office of Industrial Economics, Ministry of Industry Thailand)*.

- In 2014, Thailand had the second largest nominal GDP and the third highest GDP per capita among the Target Countries. Inflation is generally low ranging from 1.9% to 3.8% between 2010 and 2014. The decline in the inflation rate from 2011 to 2014 would generally augur well for operators of consumer businesses in Thailand, as consumers would face lower increases in prices of goods and services. This in turn could contribute to higher purchases of consumer goods and services including processed F&B.

- The unemployment rate in Thailand is very low ranging from a high of only 1.1% in 2010, and 0.8% in 2014. This would augur well for businesses in consumer products and services, as the general population would have income to support purchases.

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2.2.6 Vietnam

Key Indicators for Vietnam

	2010	2011	2012	2013	2014	CAGR 2010-14 *(%)*
Real GDP Growth *(%)*............	6.4	6.2	5.2	5.4	6.0	5.7
Nominal GDP (USD billion)....	112.8	134.6	155.6	170.6	185.9	13.3
Population *(million)*................	86.9	87.8	88.8	89.7	90.6	1.0
GDP Per Capita *(US$)*..........	1,297	1,532	1,753	1,902	2,051	12.1
GDP Per Capita Growth *(%)*..	9.8	18.1	14.4	8.5	7.9	-
Inflation Rate (%)...................	9.2	18.7	9.1	6.6	4.1	-
Unemployment Rate (%)........	4.3	4.5	2.7	2.8	2.5	-

(Source: Vital Factor analysis)

- Overall, Vietnam's real GDP growth had been relatively resilient at between 5.2% and 6.4% between 2010 and 2014, with real GDP growing at a CAGR of 5.7% during this period.

- Vietnam had the lowest nominal GDP and GDP per capita among the Target Countries in 2014. The low nominal GDP coupled with a low GDP per capita would suggest that it is likely that consumers in Vietnam would tend to purchase fewer goods and services compared to consumers in the other Target Countries. Nevertheless, Vietnam's relatively large population of 90.6 million in 2014 would mean that potential market as a whole would be relatively large.

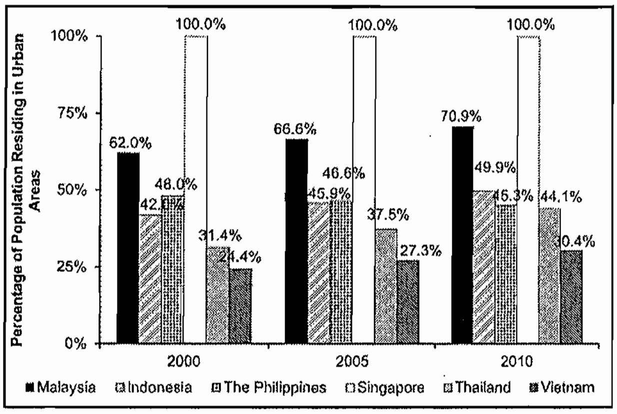
- In 2011 Vietnam experienced the highest rate of inflation in Asia, at 18.7%. The high inflation in 2011 was mainly as a result of the rise in price of production inputs such as fuel, oil and electricity; exchange rate fluctuations; and an adjustment of interbank interest rate *(Source: General Statistics Office of Vietnam)*. The inflation rate has since moderated, declining to 4.1% in 2014. The unemployment rate has also declined in Vietnam, to 2.5% in 2014. The reduction in inflation and unemployment should augur well for companies involved with consumer products and services, including processed F&B.

2.2.7 Urbanisation

- A country that is highly urbanised is generally a more attractive market for consumer-based goods compared to a country with a largely rural population. This is because residents of urban areas are generally more affluent and consume more compared to residents in rural areas. In addition, urban areas are typically more densely populated and possess better transportation and other infrastructure compared to rural areas, which makes it easier to distribute consumer-based products to reach a larger number of customers.

- As such, increasing urbanisation will drive the demand for processed F&B, especially branded packaged F&B. Urban consumers commonly have a more rushed lifestyle, where time is a premium. As such, urban consumers are likely to purchase or pay more for processed F&B for their convenience as well as time saving compared to buying less processed or unprocessed foods. Commonly such processed F&B are branded and packaged.

Percentage of Population Residing in Urban Areas



(Source: Vital Factor analysis)

- In addition, urban consumers generally are more affluent compared to their rural counterparts. As such, urban consumers would have higher income to spend on necessity as well as discretional items including processed F&B.

- Singapore achieved full urbanisation by 2000, while all the other Target Countries, with the exception of The Philippines, saw their respective urbanisation rate increasing between 2000 and 2010.

- In 2010, Malaysia had the second highest urbanisation rate at 70.9%, while Vietnam had the lowest urbanisation rate at 30.4% among the Target Countries.

2.2.8 Consumer Confidence in Target Countries

- The level of consumer confidence would also impact on consumer spending patterns. An increase in the level of consumer confidence will likely lead to an increase in consumer spending, which will benefit operators in the Processed F&B Industry.

- Consumer confidence is commonly based on a monthly or quarterly survey of a broad spectrum of consumers to capture their perception of the current and the next six months state of the economy, personal financial situation, employment conditions, and likely purchasing patterns of major household items. It is commonly represented as an index to facilitate calculating changes from one period to another. Thus, an increase in the consumer confidence index would commonly mean consumers are generally optimistic about their current and future (next six months) financial situation. A high consumer confidence index is commonly interpreted as an expectation that consumers will increase their purchases of consumer goods and services. A high consumer confidence index will augur well for operators in the consumer industry including Processed F&B Industry.

- The consumer confidence level in the Target Countries were as follows:

Malaysia	Consumer Sentiment Index declined by 1.2% in the second quarter of 2015 compared to the first quarter of 2015.
Indonesia	Consumer Confidence Index grew by 2.5% in August 2015 compared to July 2015.
The Philippines	Consumer Outlook Index rose to -11.6% for the third quarter of 2015 compared from -16.2% of the second quarter of 2015.*
Singapore	Consumer Confidence Index declined by 1.0% in the second quarter of 2015 compared to the first quarter of 2014.
Thailand	Consumer Confidence Index rose by 2.7% in August 2015 compared to July 2015.
Vietnam	Consumer Confidence Index declined by 7.1% in the second quarter of 2014 compared to the first quarter of 2015.

*Note: * Consumers' outlook improved for the third quarter of 2015. The higher (but still negative) Consumer Outlook Index for the third quarter of 2015 indicates that the number of households with an optimistic view increased, but was still less than those with a pessimistic view.*
(Sources: Malaysian Institute of Economic Research; Bank Sentral Republik Indonesia; Bangko Sentral ng Pilipinas; Bureau of Trade and Economic Indices Thailand; Vital Factor analysis)

- The latest available data indicates that consumer confidence is mixed in the Target Countries, as Indonesia, the Philippines and Thailand recorded increased consumer confidence while consumer confidence declined in Malaysia, Singapore and Vietnam. This is a reflection of the general uncertainty regarding the current economic outlook of the respective Target Countries. If consumer confidence does not improve or continues to fall, it may affect operators involved in consumer products including processed F&B.

- Nevertheless, the consumer confidence index measures a relatively short time horizon covering current conditions up to the next six months. In the longer term consumers' confidence may improve with positive economic developments such as real GDP growth, lower unemployment and inflation.

3. PROCESSED F&B INDUSTRY

3.1 Global F&B Industry

- The Processed F&B Industry is very diverse, with a wide variety of operators serving customers in practically all parts of the world. The types of operators range from large multi-national companies that operate globally with established brands that are recognised across many countries, to small home-based cottage industry operators whose brands are known only within a small geographical area.

3.2 Overview

- Processed F&B products are those that have undergone transformation such that its final form is significantly different from its original raw materials or primary food products.

- The processes that are involved in producing processed food products (not including beverages) may include, among others, one or more of the following:
  - Mixing together ingredients, which may include primary food products, liquids, extracts, additives (such as flavouring, colouring and nutritional supplements) and preservatives;
  - Forming the ingredients into the desired shape;
  - Cooking, such as baking, boiling, steaming, broiling, braising, pressure cooking or frying.

- The processes that may be involved in producing processed beverage products may include, among others, one or more of the following:
  - Extracting juices from fruits, vegetables and other plants (such as herbs);
  - Filtering or purifying liquids (such as water and juices);
  - Concentrating or reducing the water content of liquids (such as juices);
  - Mixing together ingredients, which may include water, concentrates or other liquids (such as milk and fruit juices), plant produce (such as aloe vera), additives (such as flavouring, colouring and nutritional supplements) and preservatives;
  - Cooking, pasteurisation or sterilisation.

- F&B products are typically processed to achieve one or more of the following objectives:
  - To extend shelf life;
  - Destroy undesirable microorganisms;
  - Change flavour, texture, aroma, colour and/or form;
  - Reduce preparation time for the end consumer to enhance convenience;
  - To make F&B products more portable;
  - To restore and/or improve its nutritional value.

- In this respect, food that has only been cleaned, cut and/or chilled or frozen (such as chilled or frozen meat, bagged salad or cut fruits, and uncooked rice); and beverages that have only been filtered or purified (such as fruit juice that has not been pasteurised, concentrated, flavoured or similarly processed) are usually not regarded as processed F&B products.

- Commercially produced processed F&B products are usually packaged by sealing it in containers, such as bags, cans, boxes, bottles or cartons. Some of the practical reasons for packaging processed F&B include:
  - Provides convenience to end-consumers;
  - To maintain its shelf life and freshness;
  - To create a physical barrier against contamination;
  - Provides physical protection against damage;
  - Tamper evident packaging enhances consumer safety.

- In addition, packaging provides the following inherent benefits:
  - Enhance visual appeal through attractive graphics;
  - Provide convenience to end-consumers;
  - Facilitate branding and marketing.

- As the target is the consumer market, package sizes are typically small individual portions, and thus suitable for individual or household consumption.

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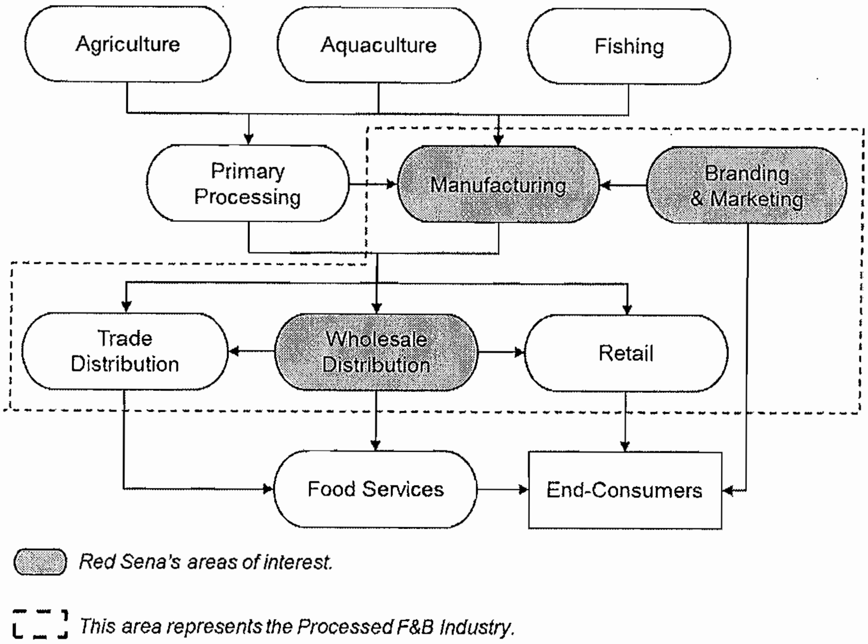
3.3 Structure of the Overall F&B Industry

- The position of the Processed F&B Industry within the wider F&B industry may be represented by the following diagram:



- Agriculture, aquaculture and fishing produce most of the raw materials that are used in the Processed F&B Industry. They are referred to as primary food production.

- **Agriculture**, also referred to as farming, encompasses the land-based cultivation of crops and livestock to produce food and other products. Food crops are one of the main sources of raw materials for the F&B industry and include cereal grains, edible oils, nuts, fruits and vegetables. Examples of livestock raised for food include poultry, cattle, sheep and goats. Livestock farming for food also includes rearing animals for their eggs and milk.

- **Aquaculture** refers to the cultivation of crops and animals in an aquatic environment for food and other products. Examples of crops and animals under aquaculture include fish, crustaceans, molluscs and seaweed.

  Agriculture and aquaculture both involve an element of cultivation, which entails human intervention with the intention of enhancing output. Examples of such intervention include feeding, protection from predators, disease control and artificial selection (in the case of crops, livestock, fish and other animals), and the application of fertilisers and pesticides.

- **Fishing** deals with the harvesting of wild fish and other aquatic creatures such as crustaceans and molluscs from a natural aquatic environment. The primary difference between fishing and aquaculture is that aquaculture involves an element of cultivation, which fishing lacks.

- **Primary processing** refers to the stage where the raw materials produced through agriculture, aquaculture and fishing are initially converted into commodities or intermediate F&B products through minimal processing. Among others, this could include paddy milling to produce rice, oil palm milling to produce crude palm oil, and slaughtering and butchering of livestock to produce meat.

- **Manufacturing** refers to the process of transforming raw and intermediate food products such as those obtained from agriculture, aquaculture and fishing, and other input materials like additives and preservatives to produce processed F&B products that are suitable for consumption by end-consumers. The other input materials that are commonly used in manufacturing processed food products include packaging material.

  Manufacturers may also carry out research and development (R&D) activities to achieve one or more goals including:
  - Developing new products;
  - Enhancing or modify existing products;
  - Increasing efficiency and quality of their manufacturing processes.

  In general, the main categories of processed F&B product manufacturers include:
  - Original brand manufacturers (OBM), who manufacture F&B products under their own or licenced brands;
  - Contract manufacturers, who manufacture F&B products for third party brand owner or licencees;
  - Manufacturers who do not brand the F&B products that they produce, which are mainly sold in bulk or for use by other manufacturers or food service operators for further processing.

  Brand owners or principals may either manufacture their own products or appoint contract manufacturers to undertake the manufacturing of their products, which are packed under their brand names.

- **Branding and marketing** are closely linked activities. Branding involves the creation, development and management of brands, while marketing involves positioning of brand within its intended market. A brand is an intangible asset that is used to identify products, services and/or entities with the intention of generating benefits or value by creating distinctive images and associations in the minds of end-consumers and other stakeholders. Marketing generally involves disseminating the value of a brand to end-consumers and encompasses activities such as identifying target customers, advertising and promotions, selecting and managing distribution channels, managing product portfolio and pricing.

  A manufacturer of processed F&B products may be involved in branding and marketing in order to differentiate its products from those of its competitors. Branding and marketing are commonly directed at end-consumers, and are intended to influence their perception of brand to encourage them to buy the branded products.

  A brand owner may choose to focus on branding and marketing, and outsource the manufacture of F&B products to third party contract manufacturers.

- Distribution refers to the range business activities that are carried out to make F&B products available to end-users, who may be dispersed over a wide geographic area. Distribution includes wholesale distribution, trade distribution and retailing.

- **Wholesale distribution** generally involves the sale of F&B products to other wholesalers or to retailers. In general, wholesale distribution mainly deals with F&B products whose intended end-consumers are individuals and households, and the F&B products are packaged, branded and marketed as such. There are three types of wholesale trade operators:
  - Distributors, usually appointed by principals, may or may not hold the exclusive rights to resell goods of specific brands in designated areas or retail format. Some distributors may also be involved in brand management activities in conjunction with principals whereby they are responsible for promoting and marketing the products. In addition, distributors usually have to meet sales targets that are set by the principals;
  - Wholesalers usually do not hold exclusive rights to resell goods of specific brands. They merely buy products in large quantity and resell them to retailers. They commonly do not represent any principals. Generally, wholesalers do not actively promote or market any particular product or brand;
  - Agents, who mainly secures orders for their principals. These operators usually do not take ownership of goods or hold stocks, and are remunerated on the basis of sales commission.

- **Trade distribution** generally involves the sale of F&B products to industrial, commercial, institutional or food service operators. F&B products that are intended for trade distribution are typically packaged in larger portions compared to those that are intended for personal or household consumption.

- **Retailing** refers to the sale of processed F&B products to end-consumers for personal or household consumption. Examples of retailers include hypermarkets, supermarkets, minimarkets, provision shops, e-commerce operators and direct sellers.

- **Food services** cover establishments that are primarily involved in the preparation of F&B for immediate consumption on or off-premises. Examples of food services include restaurants, bakeries, hawker stalls and caterers.

- Red Sena's areas of interest include branding and marketing, manufacturing and wholesale distribution.

3.4 Barriers to Entry

- In general, the barriers to entry for an operator that intends to set up a new branding and marketing, manufacturing and/or wholesale distribution business include:
  - Distribution network;
  - Brand building;
  - Product development;
  - Differences in culture and language;
  - Government policies and regulations;
  - Foreign ownership restrictions;
  - Track record.

3.4.1 Establishing a Distribution Network

- Operators who deal with branded packaged F&B for the consumer market typically have to set up a wide distribution network to reach retailers spread out over a large geographic area. This is important to ensure that their products are accessible to as many consumers as possible.

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- A new operator engaged in branding and marketing, and manufacturing can set up and run their own distribution network, although this is normally only feasible for large regional or multi-national operators with strong financial resources due to the high initial capital investment required. Most new operators involved in branding and marketing, and manufacturing are more likely to engage third-party wholesalers or distributors to distribute products through their respective networks.

- A new wholesale distributor will have to invest in the warehousing and other facilities, delivery vehicles and other equipment to set up its distribution network.

- The new operators will also have to obtain shelf space at retail outlets such as hypermarkets, supermarkets, minimarkets, convenience stores and specialised stores such as health-food stores. This may be difficult for new operators as retailers may not be familiar with their products and brands.

3.4.2 Brand Building

- Brand building is a key factor for operators dealing with consumer-focused branded packaged F&B. Building high brand equity is important for winning new customers, retaining existing customers and sustaining the operator's desired pricing strategy.

- Operators entering a new country will normally have to invest in developing new brands or adapting their existing brands to cater to the new country's preferences.

- Once a brand is established, constant investment in advertising campaigns, promotional activities and public relations are then required to maintain and increase brand equity.

3.4.3 Product Development

- A new operator in manufacturing will have to invest in product development to create new products for their target markets.

- Established operators in manufacturing entering a new market may need to carry out product modification or customisation to adapt their existing product line to suit local tastes, or develop new products to address new opportunities.

- To remain relevant operators in manufacturing will have to treat product development as a continuous process. Operators in manufacturing need to develop new products to target new customer categories, respond to evolving customer preferences, expand their addressable market size and win market share. Development work is necessary to improve existing products, create new products and enhance manufacturing efficiency and cost effectiveness.

3.4.4 Cultural Differences

- An operator entering a new country may not be familiar with that country's languages and cultures. This may result in a barrier to entry as familiarity with language and culture are necessary to ensure effective brand building, determining customer's preferences and requirements, working with regulatory authorities, and carrying out day-to-day operations including interacting with players along the entire supply chain as well as end-consumers and users.

- Cultural and language barriers can usually be managed by acquiring, partnering or working with local operators, engaging local managers and staff, and engaging local advertising firms, consultants and other service providers.

3.4.5 Government Regulations and Policies

- An operator entering a new country will have to comply with the relevant government regulations and policies of that country. Operators that wish to manufacture F&B products generally have to obtain the relevant manufacturing licences. Regulations and policies pertaining to manufacturing processed F&B generally deal with cleanliness and sanitation, permitted ingredients and additives, labelling, packaging and storage, marketing with advertising, promotions and channel management, while distribution deals with storage and transportation.

- Operators that wish to label their F&B products as Halal, or who wish to import products labelled as Halal will have to comply with the regulatory requirements of the new country's relevant Halal certification body.

- Information on licensing requirements and Halal regulations in the Target Countries may be found in Section 8.

3.4.6 Foreign Ownership Restrictions

- Some countries have legal restrictions to limit foreign participation in their economies. The types of legal restrictions employed may include:
    - A maximum limit on the equity that can be held by foreign owners;
    - Foreign owned or controlled companies may not be allowed to operate in certain industries, or their participation may be limited.

- Although there are currently some regulations governing foreign ownership of establishments in the Processed F&B Industry of the Target Countries, there are no regulations restricting foreign companies from holding up to 100% equity interest. The existing regulations are generally not restrictive, and do not constitute a significant barrier to entry into the Processed F&B Industry of the Target Countries. Additional details may be found in Section 8.2.

3.4.7 Track Record

- A new operator will have to establish a positive track record to compete against incumbent operators. Positive track record for brand owners or representatives of brand owners includes being in the market for a number of years, brand awareness among consumers, and ease of availability of products through a wide network of retail outlets. This is important with consumer F&B products as a product's reputation and perception usually has a major influence on consumer's purchasing decisions.

- For wholesale distributors, positive track record includes being in the market for a number of years, wide network of retail and food service customers, market reputation for reliable, prompt and safe delivery, and proper handling and storage of goods in transit.

- An operator with an established track record that wishes to enter a new market may also have to develop new track record in that country as consumers and trade customers in the new country may not be familiar with its brand or services.

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4. PERFORMANCE OF F&B COMPANIES IN THE TARGET COUNTRIES

	Market Capitalis-ation *(RM million)*	Assets *(RM million)*	Revenue *(RM million)*	GP *(RM million)*	PBT *(RM million)*	PAT *(RM million)*	GP Margin *(%)*	PBT Margin *(%)*	PAT Margin *(%)*	Asset Turn-over *(times)*
Malaysia										
Maximum	16,907	2,734	5,339	1,700	702	550	54.8	19.7	14.5	3.57
Minimum	27	50	61	5	(18)	(17)	4.4	(19.0)	(19.4)	0.19
Median	382	277	257	56	26	21	26.5	8.4	6.3	1.12
Average	1,610	614	995	222	76	59	24.4	7.0	5.0	1.23
Indonesia										
Maximum	21,751	24,262	17,954	4,813	1,754	1,453	36.8	11.3	8.4	2.28
Minimum	214	183	94	35	(3)	(3)	12.5	(3.1)	(3.0)	0.27
Median	3,458	824	1,106	263	106	80	23.8	7.7	6.0	1.28
Average	6,937	5,148	4,666	1,181	433	346	23.3	6.3	5.0	1.21
The Philippines										
Maximum	39,390	5,683	8,039	2,046	1,031	850	36.3	15.3	12.6	1.55
Minimum	1,317	1,089	859	312	79	63	19.7	4.4	3.2	0.79
Median	1,778	3,336	4,357	1,037	274	183	27.7	7.5	5.7	1.26
Average	11,066	3,361	4,403	1,108	415	320	27.8	8.7	6.8	1.22
Singapore										
Maximum	9,729	9,372	7,691	2,118	678	613	46.1	14.9	175.3	1.48
Minimum	160	424	307	59	(45)	(154)	19.1	(14.8)	(5.5)	0.61
Median	1,832	1,666	1,590	562	153	140	35.1	6.3	8.8	0.90
Average	2,686	2,894	2,637	815	165	183	33.8	5.1	24.5	0.96
Thailand										
Maximum	19,367	44,286	45,500	6,599	1,368	1,512	39.0	39.8	37.9	1.81
Minimum	42	79	52	6	(145)	(3)	7.6	(13.2)	(5.0)	0.23
Median	884	484	572	169	32	32	25.5	5.9	4.9	1.01
Average	3,013	4,548	4,615	740	178	190	24.3	8.5	9.0	1.01
Vietnam										
Maximum	23,472	8,660	5,719	2,012	1,240	992	41.0	21.7	17.3	4.62
Minimum	24	24	36	11	#	#	12.9	1.4	0.1	0.30
Median	65	55	127	22	6	4	30.1	6.7	5.1	1.37
Average	3,958	1,516	1,047	379	179	157	29.2	8.4	7.3	1.73

Notes:

 # = Less than RM1.0 million; Gross Profit = GP; Profit Before Tax = PBT; Profit After Tax = PAT; Asset Turnover = Revenue/Asset; Median = The value that lies at the mid-point of a sorted list of values.

(1) Data for Malaysia is based on a sample consisting of 20 public listed companies on the Bursa Malaysia Securities Berhad that are involved in the F&B industry, and excludes food services companies.

(2) Market Capitalisation for Malaysia based on closing share price on 30 September 2015.

(3) All the financial figures for Malaysia are based on their latest available financial year end as at 30 September 2015.

(4) Data for Indonesia is based on a sample consisting of 7 public listed companies on the Indonesia Stock Exchange that are involved in the F&B industry, and excludes food services companies.

(5) Data for the Philippines is based on a sample consisting of 4 public listed companies on the Philippine Stock Exchange that are involved in the F&B industry, and excludes food services companies.

(6) Data for Singapore is based on a sample consisting of 9 public listed companies on the Singapore Exchange that are involved in the F&B industry, and excludes food services companies.
(7) Data for Thailand is based on a sample consisting of 14 public listed companies on the Stock Exchange of Thailand that are involved in the F&B industry, and excludes food services companies.
(8) Data for Vietnam is based on a sample consisting of 9 public listed companies on the Ho Chi Minh Stock Exchange that are involved in the F&B industry, and excludes food services companies.
(9) Market Capitalisation for companies in Indonesia, the Philippines, Singapore, Thailand and Vietnam are based on closing share price on 30 September 2015;
(10) All the financial figures for companies in Indonesia, the Philippines, Singapore, Thailand and Vietnam are based on their latest available financial year end as at 30 September 2015.

(Source: Bursa Malaysia Securities Berhad, and Vital Factor analysis)

- The sizes of the sampled F&B companies in the Target Countries in terms of their revenue and market capitalisation vary considerably. This wide variation in company sizes is reflective of the large size of the overall F&B Industry, which can accommodate such a diverse range of operators.

- The sampled F&B companies in the Target Countries generally achieved positive PBT for their respective financial year ends. The average PBT margin ranged from between 5.1% (Singapore) and 8.7% (the Philippines), while median PBT margin ranged between 5.9% (Thailand) and 8.4% (Malaysia).

5. HALAL MARKET

- Red Sena had indicated that one of its criteria in acquiring a QA is that it will not deal in products that contain pork or alcohol. If the secured QA's F&B products are not certified as Halal, Red Sena will work to obtain Halal certification for these F&B products. It must be noted Halal certified products can be consumed by both Muslims and non-Muslims. As such this section will discuss some of the developments of the Halal industry.

- The size of the global Halal industry was estimated to have increased from USD580 billion in 2008 to USD2.3 trillion in 2013, which represents a CAGR of approximately 32% for this period (Source: Malaysia External Trade Development Corporation).

- In Asia, the four countries with the largest Muslim populations are Indonesia, Pakistan, India and Bangladesh, with a combined Muslim population of 700 million. As of early 2014, there were approximately 1.8 billion Muslims, accounting for approximately 23% of the world population. Moving forward, the Muslim population is projected to account for between 25% and 27% of the world's population in 2020 and 2030 respectively. With a large global Muslim population, operators in the Processed F&B Industry that are involved in Halal products are in a better position to address this segment of the market. Such operators can access the Muslim markets in their own countries operation as well as export to other countries with Muslim consumers.

  (Sources: Halal Industry Development Corporation; Vital Factor analysis)

- Among the Target Countries, Malaysia with the encouragement from the Government has done the most for the Halal Industry. As such, this section will focus on the Halal sector in Malaysia.

- According to the Malaysian Ministry of International Trade and Industry, Malaysia exported RM32.8 billion worth of Halal products in 2013, with exports of Halal processed F&B valued at RM13.0 billion. Halal products accounted for approximately 5% of Malaysia's total exports in 2013.

- The Malaysian Government actively supports the Halal sector. Incentives are available for companies in Malaysia that are involved in Halal products. The incentives provided by the Malaysian Government include double deduction from expenses to obtain Halal certification, quality systems and standards certification. The activities include the following:
  - Production of Halal food;
  - Production of Halal non-food products;
  - Operation of Halal park;
  - Halal logistic operations.

  (Sources: Halal Industry Development Corporation; Malaysian Investment Development Authority; Ministry of International Trade and Industry)

- The list of Halal parks in Malaysia as at September 2015 is as follow:

Halal Park	Location	Approximate Acreage
With HALMAS Status		
Palm Oil Industrial Cluster (POIC) Tanjung Langsat	Johor	280
Sedenak Industrial Park	Johor	700
ECER Pasir Mas Halal Park	Kelantan	108
Melaka Halal Park	Melaka	164
techpark@enstek	Negeri Sembilan	480
Pedas Halal Park	Negeri Sembilan	100
ECER Gambang Halal Park	Pahang	200
Penang International Halal Hub	Penang	100
PERDA Halal Park	Penang	100
Kota Kinabalu Industrial Park	Sabah	8,320
Palm Oil Industrial Cluster (POIC) Lahad Datu	Sabah	272
Tanjung Manis Halal Hub	Sarawak	190,000
PKFZ National Halal Park	Selangor	100
Selangor Halal Hub	Selangor	1,000
Without HALMAS Status (Application in Progress)		
Kedah Halal Park	Kedah	35
Pengkalan Chepa Halal Park	Kelantan	2
Labuan Halal Distributive Hub	Labuan	100
Prima Agri Halal Park	Pahang	100
MARA Halal Park Tambun	Perak	na
Perak Halal Park	Perak	na
MARA Halal Park Kuala Perlis	Perlis	na
Perlis Halal Park	Perlis	50
Sabah Halal Park	Sabah	na

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Halal Park	Location	Approximate Acreage
MARA Halal Park Kuching	Sarawak	na
Terengganu Halal Park	Terengganu	2

na = Data not available.
Note: HALMAS status is an accreditation that is given to Halal Park operators that have successfully complied with the requirements and guidelines stipulated by the Halal Industry Development Corporation (HDC)
(Source: Halal Industry Development Corporation)

- Companies involved in specified activities that operate in a Halal park are eligible for the following incentives:
  - 100% income tax exemption on qualifying capital expenditure for a period of 10 years or 100% income tax exemption on export sales for a period of 5 years;
  - Import duty and sales tax exemption on raw materials used for the development and production of Halal promoted products;
  - Double deduction on expenses incurred in obtaining international quality standards.

  Specified activities comprise production of specialty processed food, pharmaceuticals, cosmetics, personal care products, livestock and meat products, and Halal ingredients.
  (Source: Halal Industry Development Corporation)

6. SUPPLY AND DEMAND

- Supply and demand of the Processed F&B Industry can be determined at the macro level from a number of indicators, which may include the following:
  - Local production;
  - Household consumption of F&B products;
  - Imports;
  - Exports.

6.1 Malaysia

6.1.1 Local Production

Sales Value of Manufacture of Selected Processed F&B Products in Malaysia

	2010	2011	2012	2013	2014	CAGR 2010-14 (%)
Processing and Preserving of Fish and Fish Products	1,109	1,171	1,490	1,679	1,652	10.5
Manufacture of Biscuits and Cookies	1,102	1,058	1,041	1,085	1,101	^
Manufacture of Chocolate Products and Sugar Confectionery	772	868	946	1,210	1,161	10.8
Manufacture of Snack: Cracker/Chips	536	673	809	1,078	896	13.7
Manufacture of Other Food Products, Not Elsewhere Classified*	1,463	1,663	2,004	1,783	1,884	6.5
Manufacture of Soft Drinks	1,578	1,568	1,705	1,829	1,745	2.5

** Includes, among others, soups and broths, eggs, vinegar, yeasts and local jams.*
^ = Less than 0.1%.
Note: All units in RM million except percentages. (Source: Department of Statistics Malaysia)

- With the exception of biscuits and cookies (which declined marginally), the sales values of the manufacture of selected processed F&B products in Malaysia registered positive CAGR between 2010 and 2014.
- Among the selected processed F&B products, snacks comprising crackers and chips recorded the highest growth, with CAGR of 13.7% between 2010 and 2014.

Manufacturing Index of F&B Products in Malaysia (2005=100)

	2009	2010	2011	2012	2013	CAGR 2009-13 (%)
Manufacturing Index	122.7	128.6	138.0	142.9	145.9	4.4

(Source: Department of Statistics Malaysia)

- Between 2009 and 2013, the manufacturing index of F&B products in Malaysia increased at a CAGR of 4.4% to reach 145.9 points.
- The increase in local production and manufacturing index of F&B products signifies that the country's Processed F&B Industry is actively growing.

6.1.2 Household Consumption Expenditure

Household Final Consumption Expenditure on F&B Products in Malaysia

	2010	2011	2012	2013[e]	2014[p]	CAGR 2010-14 (%)
Food and Non-Alcoholic Beverages	86.6	95.0	102.8	114.4	126.1	9.9

e = estimate; p = preliminary
Note: All units in RM billion except percentages.
(Source: Department of Statistics Malaysia)

- Between 2010 and 2014, household final consumption expenditure on food and non-alcoholic beverages in Malaysia increased at a CAGR of 9.9%. The growth augurs well for operators in the Processed F&B Industry as it signifies increasing demand of F&B products.

6.1.3 Imports and Exports

Value of Imports and Exports of F&B Products for Malaysia

	2009	2010	2011	2012	2013	CAGR 2009-13 (%)
Imports						
Food	26,770	30,253	34,493	36,091	38,909	9.8
Beverages	1,001	1,162	1,747	2,057	2,395	24.4
Exports						
Food	15,801	18,168	20,555	20,692	22,104	8.8
Beverages	1,430	1,780	2,078	2,152	2,670	16.9

Note: All units in RM million except percentages. (Source: Department of Statistics Malaysia)

- Between 2009 and 2013, the growth in the import value of food for Malaysia was partially attributable to the growth in imports of two categories, namely vegetables and fruits (13.5% of total import value in 2013); and meat and meat preparations (6.6% of total import value in 2013). The import value of vegetables and fruits grew at a CAGR of 11.2% between 2009 and 2013, while the import value of meat and meat preparations grew at a CAGR of 14.1%. *(Source: Department of Statistics Malaysia)*

- The growth in the value of food exported from Malaysia between 2009 and 2013 was partially attributable to the growth in exports of two categories, namely dairy products and bird's eggs (6.3% of total export value in 2013); and sugars, sugar preparations and honey (4.0% of total import value in 2013). The export value of dairy products and bird's eggs grew at a CAGR of 11.4% between 2009 and 2013, while the export value of sugars, sugar preparations and honey grew at a CAGR of 12.9%. *(Source: Department of Statistics Malaysia)*

6.2 Indonesia

6.2.1 Local Production

Gross Output Value of F&B Manufactured by Large and Medium-sized Establishments* in Indonesia

	2009	2010	2011	2012	2013^{p}	CAGR 2009-13 (%)
Food Products..........	446.6	444.5	647.3	718.7	722.0	12.8
Beverages................	12.8	15.5	12.9	18.2	23.2	16.0
Total F&B................	459.4	460.2	660.2	736.9	745.2	12.9

*p = preliminary; * Large and medium-sized manufacturing establishments are defined as those that engage 20 or more persons.*
Note: All units in Rupiah trillion except percentages.
(Source: Statistics Indonesia)

- The gross output value of F&B manufactured by large and medium-sized establishments in Indonesia generally grew at a higher rate compared to the country's nominal GDP during this period.

- F&B manufacturing is an important component of Indonesia's overall manufacturing sector. In 2013, the gross output value of F&B manufactured by large and medium-sized establishments accounted for 24.9% of the gross output of all large and medium-sized manufacturing establishments. *(Source: Statistics Indonesia)*

- The continuing growth of F&B manufacturing should enable the sector to maintain its position as a key contributor to Indonesia's overall manufacturing sector.

- In Indonesia, F&B manufacturing is currently dominated by large and medium-sized establishments. In 2012 (the most recent year for which this data is available) the value of gross output for F&B manufactured by small and micro-sized establishments* totalled Rupiah 95.9 trillion, which is equivalent to approximately 13.0% of the gross output produced by large and medium-sized establishments in the same year. *(Source: Statistics Indonesia)*

*Note: * Small and micro-sized establishments are defined as those that engage 19 or fewer persons.*

6.2.2 Household Consumption Expenditure

Household Consumption Expenditure on Food Commodities in Indonesia

	2010	2011	2012	2013[P]	2014[P]	CAGR 2010-14 (%)
Household Consumption Expenditure	1,734	1, 926	2,141	2,423	2,675	11.5

p = preliminary
Note: All units in Rupiah trillion except percentages.
(Source: Statistics Indonesia)

- Between 2010 and 2014 household consumption on food commodities in Indonesia grew at a CAGR of 11.5% to reach Rupiah 2,675 trillion. The relatively high growth in household consumption expenditure on food commodities between 2009 and 2013, and the first three quarters of 2014 indicates that there is continuing demand for F&B products in Indonesia, including processed F&B products.

6.2.3 Imports and Exports

Value of F&B Product Imports for Indonesia

	2010	2011	2012	2013	2014	CAGR 2010-14 (%)
Mainly for Household Consumption						
Primary (Unprocessed)	1,167	1,848	1,541	1,246	1,542	7.2
Processed	2,440	3,626	2,837	2,218	2,755	24.2
Raw Materials and Auxiliary Goods Mainly for Industry						
Primary (Unprocessed)	3,075	4,187	4,101	3,864	4,935	12.6
Processed	2,166	3,330	3,349	3,382	3,247	10.7

Note: All units in USD million except percentages.
(Source: Statistics Indonesia)

- Most of the F&B products that are imported into Indonesia are in the form of raw materials and auxiliary goods. These F&B products are used as raw materials, further processed and/or re-packaged by manufacturers and other establishments to produce F&B products suitable for final consumption. In 2014, the total value of imported F&B products (primary and processed) intended for industry was 90.4% higher than the total value of imported F&B products for mainly for consumers.

Value of Exports of Processed F&B from Indonesia

	2010	2011	2012	2013	2014	CAGR 2010-14 (%)
Processed Food	2,938	3,985	4,257	4,438	5,386	16.4
Processed Beverages	84	168	150	162	159	17.2

Note: All units in USD million except percentages.
(Source: Statistics Indonesia)

- The value of processed F&B exported from Indonesia grew at a relatively healthy rate, with the value of processed food exports increasing at a CAGR of 16.4% between 2010 and 2014, and the value of processed beverage exports increasing by a CAGR of 17.2%.

- The increase in the value of Indonesia's processed food exports during this period was primarily driven by growth of two large processed food categories, namely processed fish products and processed chocolate, which respectively accounted for 30.2% and 19.8% of total processed food export value in 2014. Between 2010 and 2014, the export value of processed fish products grew at a CAGR of 16.9%, while the export value of processed chocolates grew at a CAGR of 23.6%.

  (Source: Statistics Indonesia)

6.3 The Philippines

6.3.1 Local Production

Gross Value Added in Manufacturing in the Philippines

	2010	2011	2012	2013	2014	CAGR 2010-14 (%)
Food Manufactures....................	820.7	885.7	990.3	1,052.1	1,180.3	9.5
Beverage Industries[1]	70.9	80.6	83.3	87.2	110.9	11.8

[1] Comprising alcoholic and non-alcoholic beverages.
Note: All units in Peso billion except percentages.
(Source: National Statistical Coordination Board, the Philippines)

- Between 2010 and 2014, the gross value added in food manufactures and beverage industries in The Philippines increased at a CAGR of 9.5% and 11.8% respectively.

- In 2014 the gross value added in food manufacturing represented 45.3% of the overall manufacturing sector's gross value added, making it the largest manufacturing industry group. The continuous growth trend experienced by F&B manufacturing industries in The Philippines indicates a growing demand for its Processed F&B Industry either locally and/or for overseas markets.

6.3.2 Household Consumption Expenditure

Household Consumption Expenditure on F&B in the Philippines

	2010	2011	2012	2013	2014	CAGR 2010-14 (%)
Food and Non-Alcoholic Beverages.................................	2,709.8	3,053.3	3,343.4	3,605.8	3,870.5	9.3

Note: All units in Peso billion except percentages.
(Source: National Statistical Coordination Board, the Philippines)

- Between 2010 and 2014, household final consumption expenditure on food and non-alcoholic beverages in the Philippines increased at a CAGR of 9.3%. In 2014, the household final consumption expenditure on food and non-alcoholic beverages accounted for 42.3% of total household final consumption expenditure.

6.3.3 Imports and Exports

Import and Export Value of F&B Products for the Philippines

	2010	2011	2012	2013	2014	CAGR 2010-14 *(%)*
Imports						
Food and Live Animals Chiefly for Food	4,278	3,507	3,725	3,716	4,401	0.7
Beverages and Tobacco Products	65	70	85	127	148	22.9
Exports						
Processed F&B	932	1,035	1,104	1,482	1,463	11.9

Note: All units in USD million except percentages.
(Source: National Statistics Office, the Philippines)

- In general, the Philippines is a net importer of F&B products, with the value of imported food and live animals chiefly for food, and beverages and tobacco products exceeding the value of exported processed F&B by approximately USD3.1 billion in 2014.

- The growth in the import value of food and live animals chiefly for food between 2010 and 2014 was partially attributable to the growth in imports of dairy products, which accounted for approximately 20.2% of the total import value in 2014. The import value of dairy products grew at a CAGR of 5.6% between 2010 and 2014. *(Source: National Statistics Office, the Philippines)*

6.4 Singapore

6.4.1 Local Production

Manufacturing Output of the Food, Beverages and Tobacco Sector in Singapore

	2010	2011	2012	2013	2014	CAGR 2010-14 *(%)*
Manufacturing Output	6,903	7,970	8,017	9,157	9,596	8.6

Note: All units in SGD million except percentages.
(Source: Department of Statistics Singapore)

- The food, beverages and tobacco manufacturing sector is relatively small compared to the overall manufacturing industry in Singapore. In 2014, the food, beverages and tobacco sector accounted for only 3.3% of total manufacturing, measured in terms of manufacturing output value.

- The largest manufacturing sectors in Singapore are currently the computer, electronic and optical products sector and the refined petroleum products sector, which respectively accounted for 31.2% and 15.9% of total manufacturing value in 2014. *(Source: Department of Statistics Singapore)*

- In addition, no investment commitments in fixed assets were recorded in the food, beverage and tobacco sector in Singapore between 2010 and 2014. In comparison, investment commitments in fixed assets for the overall manufacturing industry totalled SGD50.3 billion during this period. *(Source: Department of Statistics Singapore)*

6.4.2 Consumption Expenditure on F&B

Consumption Expenditure on F&B Products in Singapore

	2010	2011	2012	2013	2014	CAGR 2010-14 (%)
Food and Non-Alcoholic Beverages	8,404	8,944	9,529	9,952	10,035	4.5

Note: All units in SGD million except percentages.
(Source: Department of Statistics Singapore)

- Private consumption expenditure on food and non-alcoholic beverages in Singapore is relatively high when measured on a per-capita basis, and was estimated at approximately SGD1,835 per person in 2014. This is reflective of the country's relatively high per capita GDP.

6.4.3 Imports and Exports

Import and Export Value of F&B for Singapore

	2010	2011	2012	2013	2014	CAGR 2010-14 (%)
Import Value						
Food	9,290	10,296	10,036	10,591	11,354	5.1
Beverages	2,333	2,849	3,071	3,476	3,361	9.6
Export Value						
Food	5,455	6,663	6,230	7,064	8,232	10.8
Beverages	2,466	2,914	3,312	3,501	3,507	9.2

Note: All units in SGD million except percentages.
(Source: Department of Statistics Singapore)

- The value of F&B exported from Singapore is high relative to the value imported and manufactured domestically, which suggests that much of the F&B that are imported into Singapore are ultimately re-exported to other countries. This in line with Singapore's status as a major transhipment hub.

- The value of beverages exported from Singapore exceeded or was very close to the value imported in each year between 2010 and 2014, which indicates that some of the exported beverages were manufactured in Singapore.

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6.5 Thailand

6.5.1 Local Production

Production Volume of Major Food Products* in Thailand

	2010	2011	2012	2013	2014[p]	CAGR 2010-14 (%)
Production Volume	9.9	11.3	12.1	15.0	14.3	9.7

** Major food products comprised livestock, fisheries, fruit and vegetables, vegetable oils, dairy products, cereals and flours & instant noodles; p = preliminary.*
Note: All units in million tonnes except percentages.
(Source: The Office of Industrial Economics, Thailand)

- Between 2010 and 2014, the production volume for the major food product categories in Thailand grew at a CAGR of 9.7%. Overall production in 2014 was projected to decline by 4.3% compared to 2013. This was mainly attributable the decline in the production of processed cereals and flour due to drought. *(Source: The Office of Industrial Economics, Thailand)*

Production Volume of Selected Processed F&B Products in Thailand

	2010	2011	2012	2013	2014	CAGR 2010-14 (%)
Canned Tuna	438.9	420.2	460.9	462.5	432.7	-0.4
Fruit Juice	123.6	158.5	151.7	98.8	101.9	-4.7

Note: All units in thousand tonnes except percentages.
(Source: The Office of Industrial Economics, Thailand)

- Canned tuna production declined in 2014 as producers reduced the quantity of raw tuna imported during the year as the Baht weakened. *(Source: The Office of Industrial Economics, Thailand)*

6.5.2 Consumption Expenditure

Private Final Consumption Expenditure on F&B Products in Thailand

	2009	2010	2011	2012	2013[p]	CAGR 2009-13 (%)
Food and Non-Alcoholic Beverages	1,418	1,590	1,726	1,811	1,871	7.2

p = preliminary
Note: All units in Baht billion except percentages.
(Source: Office of the National Economic and Social Development Board, Thailand)

- Between 2009 and 2013, the private final consumption expenditure on food and non-alcoholic beverages in Thailand increased at a CAGR of 7.2%. In 2013, the private final consumption expenditure on food and non-alcoholic beverages grew by 3.3% to reach 1.9 trillion Baht.

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6.5.3 Imports and Exports

Import and Export Values of F&B for Thailand

	2010	2011	2012	2013	2014^{p}	CAGR 2010-14 (%)
Import Value						
Major Food Products*	251.2	303.2	423.0	365.2	386.5	11.4
Non-alcoholic Beverages	0.1	0.2	0.6	0.6	0.3	27.0
Export Value						
Major Food Products*	741.6	899.2	889.3	806.5	900.3	5.0
Non-alcoholic Beverages	11.9	15.8	20.0	23.8	29.2	25.2

*Note: * Major food products comprise livestock, fishery products, fruits and vegetables, vegetable oils, dairy products, cereals and flour, and instant noodles;*
All units in billion Baht except percentages.
(Source: The Office of Industrial Economics, Thailand and Ministry of Commerce, Thailand)

- Thailand is a net exporter of F&B products, with the exports of major food products and non-alcoholic beverages exceeding imports between 2010 and 2014.

- In 2012 (the most recent year for which this data is available) the main types of processed F&B products exported from Thailand included processed meat and seafood products (accounting for approximately 26.1% of major food product exports by value) and processed F&B made from vegetables, fruits, nuts and other plant material (accounting for approximately 6.6% of major food product exports by value). *(Sources: The Office of Industrial Economics, Thailand and Ministry of Commerce, Thailand)*

6.6 Vietnam

6.6.1 Local Production

Gross Output Value of Manufacture of F&B Products in Vietnam

	2009	2010	2011	2012	2013^{p}	CAGR 2009-13 (%)
Food Products	418.5	529.6	660.5	786.3	945.4	22.6
Beverages[1]	47.7	53.1	57.5	83.1	105.5	22.0

p = preliminary; [1] Comprised alcoholic and non-alcoholic beverages
Note: All units in Dong trillion except percentages.
(Source: General Statistics Office of Vietnam)

- Between 2009 and 2013, gross output value of the manufacture of food products and beverages in Vietnam increased at a CAGR of 22.6% and 22.0% respectively, which were generally higher than the average rate of growth for nominal GDP during this period. This indicates that, on average, manufacturing of food products and beverages grew at a faster rate compared to the rest of the economy.

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6.6.2 Consumption Expenditure

Annual Consumption Expenditure on Food in Vietnam

	2008	2010	2012	2013	CAGR 2008-13 (%)
Food........................	30.1	48.3	69.3	85.5	23.2

Note: All units in Dong trillion except percentages.
(Source: General Statistics Office of Vietnam)

- Although annual consumption expenditure on food in Vietnam increased at a high CAGR of 23.2% between 2008 and 2013, part of this increase was due to inflation during this period. The inflation rate for Vietnam was relatively high during this period, and peaked at 18.7% in 2011. Annual consumption expenditure is measured at current prices, and as a result does not take into account the effects of inflation.

6.6.3 Imports and Exports

- Vietnam imports unprocessed F&B products, which are generally used to produce processed F&B products for domestic consumption or export. The import values of some of these unprocessed F&B products are summarised in the following table:

Value of Some F&B Products Imported into Vietnam

	2009	2010	2011	2012	2013p	CAGR 2009-13 (%)
Vegetable Oils and Fats................	492.5	698.1	955.8	1,793.6	692.0	8.9
Wheat...	345.7	569.7	814.2	331.4	619.5	15.7

p = preliminary.
Note: All units in USD million except percentages.
(Source: General Statistics Office of Vietnam)

- Imported vegetable oils and fats may be used in manufacturing other types of processed F&B or packaged for sale to consumers. Wheat is typically milled to produce flour, which is then used in manufacturing other types of processed F&B or packaged for sale to consumers.

- The export value of some examples of processed F&B products from Vietnam for which data is available is summarised in the following table:

Value of Some F&B Products Exported from Vietnam

	2009	2010	2011	2012	2013p	CAGR (%)
Foodstuff Processed from Starch and Cereals	276.2	385.2	377.5	410.8	450.8	13.0 [1]
Meat and Meat Products...............	45.1	40.1	58.9	68.1	n.a.	14.7 [2]
Dairy Produce	23.7	33.7	66.6	122.8	n.a.	73.0 [2]

p = preliminary; n.a. = Data not available for this year; [1] CAGR for 2009 to 2013; [2] CAGR for 2009 to 2012.
Note: All units in USD million except percentages.
(Source: General Statistics Office of Vietnam)

- Despite the relatively small size of exports measured in monetary terms, the export value of processed F&B products from Vietnam increased at a healthy rate between 2009 and 2012/2013. Export value generally increasing at a faster average rate compared to the economy as a whole over the same period.

- In terms of export value, exports of processed F&B products from Vietnam are currently small compared to unprocessed F&B products. For example, in 2013 the value of rice exported from Vietnam was USD6.6 billion, and the value of fishery products exported was USD6.7 billion. *(Source: General Statistics Office of Vietnam)*

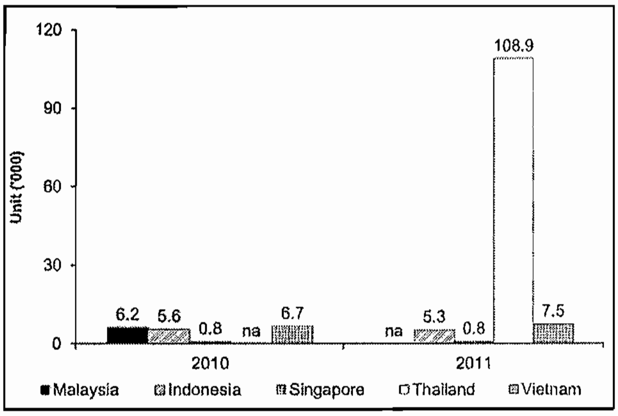
- This suggests that the Processed F&B Industry in Vietnam is still developing, and should possess opportunities for new operators to meet the needs of the domestic market, as well as exports. It also suggests that there is an opportunity for operators in Vietnam to manufacture processed F&B products using some of the unprocessed F&B products that are currently exported.

6.7 Number of Establishments

- Among the Target Countries, Thailand had the most number of F&B manufacturing establishments while Singapore had the least in 2011.

- Based on the latest available data, it can be concluded that there are numerous operators involved in the manufacturing of F&B in the Target Countries, notably Thailand, Malaysia, Indonesia, Vietnam and Singapore.

Number of F&B Manufacturing Establishments



na = Data not available.
Note: There were no available data for the Philippines.
(Sources: Department of Statistics Malaysia; Statistics Indonesia; Department of Statistics Singapore; National Statistical Office of Thailand; General Statistics Office of Vietnam)

7. SUPPLY DEPENDENCIES

- The supply of processed F&B is dependent on the availability of raw materials, which can be assessed by local production and import of primary food commodities such as paddy, vegetables, fruits and meat. Continuous growth in local production and import of food commodities will ensure sufficient supply of raw materials for operators in the Processed F&B Industry.

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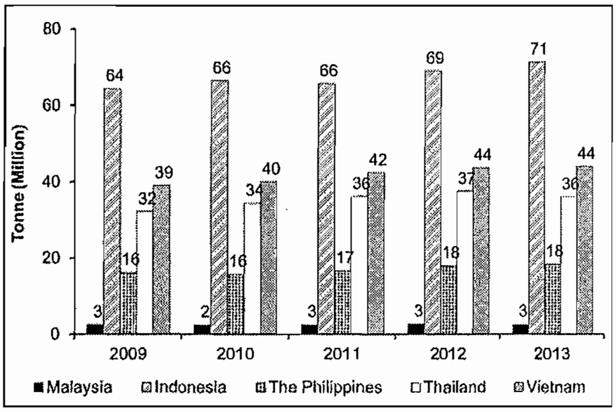
7.1 Local Production of Raw Materials

- Paddy production is a key feature in the ASEAN region as rice is a staple food in most ASEAN countries.

- All of the Target Countries are paddy producers, with the exception of Singapore. Indonesia is the largest paddy producer in the ASEAN region and among the Target Countries.

Production of Paddy



(Source: Vital Factor analysis)

Production of Selected Food Commodities

	2009	2010	2011	2012	2013	CAGR 2009-13 (%)
Vegetables						
Malaysia	944	1,278	1,314	1,281	1,239	7.0
Indonesia	9,620	9,780	10,098	10,465	10,244	1.6
The Philippines	5,814	6,299	6,204	6,317	6,368	2.3
Singapore	20	22	23	24	25	5.9
Thailand	3,817	3,835	3,778	3,876	3,778	-0.3
Vietnam	8,139	8,655	7,575	14,177	14,976	16.5
Fruits (excluding Melons)						
Malaysia	939	967	960	941	939	*
Indonesia	17,577	14,881	17,473	17,881	16,003	-2.3
The Philippines	15,980	16,182	16,139	16,371	15,887	-0.1
Singapore	#	#	#	#	#	n.a.
Thailand	10,149	9,865	10,809	11,164	11,096	2.3
Vietnam	6,519	6,803	7,064	7,066	7,127	2.3
Meat						
Malaysia	1,404	1,518	1,550	1,589	1,624	3.7
Indonesia	2,653	2,849	3,050	3,155	3,317	5.7
The Philippines	2,847	2,906	2,965	3,036	3,128	2.4
Singapore	109	113	114	117	117	1.8
Thailand	2,315	2,421	2,422	2,571	2,634	3.3
Vietnam	4,048	3,987	4,120	4,212	4,265	1.3

*Notes: All units in thousand tonnes except percentages; * Less than 0.1%; # Less than 1,000 tonne; n.a. = not applicable. (Source: Vital Factor analysis)*

- Between 2009 and 2013, most of the Target Countries registered growth in production of the above mentioned food commodities. The growth in production of food commodities in the Target Countries will ensure sufficient supply of raw materials for the Processed F&B Industry in the respective countries.

7.2 Import of Raw Materials

Import Value of Selected Food Commodities

	2007	2008	2009	2010	2011	CAGR 2007-11 *(%)*
Meat and Meat preparations						
Malaysia	343	405	419	532	660	17.8
Indonesia	146	214	278	403	332	22.9
The Philippines	194	289	277	398	446	23.2
Singapore	513	615	545	379	787	11.3
Thailand	22	28	27	82	91	43.1
Vietnam	33	105	56	104	99	31.6
Fish, Crustaceans, Molluscs and Other Aquatic Invertebrates						
Malaysia	561	499	582	684	861	11.3
Indonesia	48	106	149	216	251	51.0
The Philippines	89	89	166	134	164	16.4
Singapore	601	665	609	524	768	6.3
Thailand	1,636	2,267	1,857	2,882	2,547	11.7
Vietnam	146	188	144	310	219	10.6
Vegetables						
Malaysia	467	435	529	720	736	12.0
Indonesia	363	293	299	432	599	13.3
The Philippines	41	54	54	58	72	15.5
Singapore	289	327	332	400	448	11.7
Thailand	112	143	187	1,097	297	27.6
Vietnam	49	84	96	138	164	35.3
Fruits and Nuts						
Malaysia	177	239	252	301	363	19.7
Indonesia	450	452	607	655	829	16.5
The Philippines	62	74	92	109	151	25.0
Singapore	362	411	406	402	593	13.1
Thailand	214	289	305	581	501	23.6
Vietnam	144	160	211	448	236	13.1

Notes: All units in USD million except percentages.
(Source: ASEAN)

- Between 2007 and 2011, imports of the above selected food commodities into the Target Countries generally grew. Growth in imports will supplement the local production of these food commodities in the respective Target Countries.

8. GOVERNMENT LAWS AND REGULATIONS

- The specific government laws and regulations pertaining to the Processed F&B Industry may differ from country to country. This section will cover general aspects of some of the government rules and regulations that are commonly applied to the Processed F&B Industry in the Target Countries, including:
  - Licensing requirements;
  - Importation of F&B products;
  - Foreign ownership restrictions.

8.1 Licensing Requirements

- Some of the licensing requirements that are applicable to operators in the Processed F&B Industry in the Target Countries are as follows:

Country	Licence / Permit	Regulatory Authority	Description / Condition
Malaysia	Manufacturing Licence	Malaysian Investment Development Authority	Mandatory for companies with shareholders' funds of RM2.5 million or more, or engaging 75 or more full-time paid employees.
	Food Premises Registration	Ministry of Health Malaysia	Any food premises that are used for preparation, preservation, packaging, storage, conveyance, distribution or sale of any food, or relabelling, reprocessing or reconditioning of any food must be registered with the Ministry of Health Malaysia.
	Certificate of Food Handlers Training	Ministry of Health Malaysia	Any food handler working in food premises shall have to obtain a Certificate of Food Handlers Training and have been medically examined and vaccinated by a registered medical practitioner.
Indonesia	Product Registration	National Agency of Drug and Food Control	Required for the importation of processed F&B products. However, registration exemptions are provided for the following: - Processed F&B with a shelf life of less than 7 days at room temperature; - Processed F&B in small quantities for use in registering with the authority, scientific research or personal consumption.
The Philippines	Licence for Manufacturing / Processing	National Food Authority of the Philippines	Any person involved in manufacturing or processing of rice and/or corn products such as noodles and snack foods must obtain this particular licence.
	Certificate of Product Registration	Food and Drug Administration of the Philippines	All imported processed F&B products are not allowed to be sold or offered for sale without a certificate of product registration issued by the Food and Drug Administration of the Philippines.
Singapore	Licence to Operate a Food Processing Establishment	Agri-Food & Veterinary Authority of Singapore	No person shall operate, use or permit a food processing establishment, where food is manufactured, processed, prepared or packed for the purpose of distribution to wholesalers and retailers, without obtaining a licence.

Country	Licence / Permit	Regulatory Authority	Description / Condition
	Licence to Import /Export/Tranship Meat and Fish Products	Agri-Food & Veterinary Authority of Singapore	Required for the importation, exportation or transhipment of meat and fish products.
	Licence to Import /Tranship Fresh Fruits and Vegetables	Agri-Food & Veterinary Authority of Singapore	Required for the importation or transhipment of fresh fruits and vegetables.
	Registration of Operator	Agri-Food & Veterinary Authority of Singapore	Operators involved in the importation of processed F&B and food appliances must be registered with the Agri-Food & Veterinary Authority of Singapore.
Thailand	Food Manufacturing Licence / Food Production Licence	Food and Drug Administration of Thailand	Issued to applicants intending to establish a food processing or manufacturing plant. A food production licence is issued for a premise that is not recognised as a factory.
	Importation Licence	Food and Drug Administration of Thailand	Required for the importation of F&B into Thailand. Only F&B products that are approved by the Food and Drug Administration of Thailand are allowed to be imported.
Vietnam	Investment Licence	People's Committee of Provinces and Cities of the relevant province or city where the investment is located	Registration and application for the issuance of an Investment Licence is required for all foreign investors under the Law on Foreign Investment in Vietnam.

(Sources: Malaysian Investment Development Authority; Food Safety and Quality Division, Ministry of Health Malaysia; Food and Drug Administration of Thailand; Food and Drug Administration of the Philippines; National Food Authority of the Philippines; Agri-Food & Veterinary Authority of Singapore; National Agency of Drug and Food Control, Indonesia; Vietnam Trade Promotion Agency)

8.2 Foreign Ownership Restrictions

- In general there are no regulations that restrict foreign companies from holding up to 100% equity in establishments in the Processed F&B Industry for the Target Countries, with the exception of the following:
  - In Indonesia, the manufacturing of specified types of processed F&B are open to foreign investment with certain conditions. For example, foreign investors keen on manufacturing soya sauce, soy made food and peanuts, crackers, chips and other snacks that are processed from seeds, roots, sago, *Gnetum gnemon* (also known as the melinjo, belinjo or bago plant) nuts and copra in Indonesia must establish a business entity via partnership arrangement with an Indonesian enterprise *(Source: Indonesia Investment Coordinating Board).*
  - In Thailand, there are restrictions on foreign participation in specific sectors, for example real estate, where there are conditions imposed by the Thai Government. This restriction is applicable to foreign investors that intend to own land for setting up an F&B processing or manufacturing plant in the country *(Source: Thailand Board of Investment).*

- In Vietnam, a foreign investor who wishes to make an investment in the country is expected to apply for an Investment Licence from the People's Committee of Provinces and Cities of the relevant province or city where the investment is located *(Source: Vietnam Trade Promotion Agency)*.

8.3 Repatriation of Profits

- The following information provides a general overview of the conditions for profit repatriation in the respective Target Countries:
  - In Malaysia, applications for repatriation of profits or capital gains arising from investments made in Malaysia should be submitted to the Controller of Foreign Exchange to obtain prior approval *(Source: Bank Negara Malaysia)*.
  - In Indonesia, there are generally no restrictions on repatriation of profits. However, incoming investment capital inflows require approval whereby businesses are required to repatriate their export earnings from offshore banks to domestic banks within three months of the date of the export declaration form. Once repatriated, there are no restrictions on retransferring the export earnings abroad *(Source: Bank Sentral Republik Indonesia)*.
  - In the Philippines, only inward foreign investments registered with Bangko Sentral ng Pilipinas are entitled to full repatriation of capital and remittance of dividends or profits using foreign exchange sourced or purchased from authorised agent banks. Besides that, outward investments by residents exceeding USD60 million per investor per year must be approved by Bangko Sentral ng Pilipinas *(Source: Bangko Sentral ng Pilipinas)*.
  - In Vietnam, foreign investors are allowed to repatriate their profits annually at the end of the financial year or upon termination of the investment in the country except for foreign investors with accumulated losses. In addition, foreign investors are subjected to withholding tax at rates of 5%, 7% or 10% of profits transferred abroad depending on the level of capital contribution of the foreign investors *(Law on Foreign Investment in Vietnam)*.
  - In Singapore and Thailand, there are no restrictions on repatriation of profits.

8.4 Halal Certification Bodies

- It is imperative for operators that are involved in dealing with Halal products, including processed F&B, to comply with the relevant regulations, standards and guidelines set by the respective Halal certification bodies.

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- The Halal certification bodies in the Target Countries are listed in the following table:

Country	Halal Certification Authority
Malaysia	• Department of Islamic Development Malaysia (JAKIM) • Islamic Religious Council of the respective states
Indonesia	• The Assessment Institute for Foods, Drugs and Cosmetics of the Indonesian Council of Ulama
The Philippines	• Islamic Da'Wah Council of the Philippines • National Commission on Muslim Filipinos
Singapore	• Islamic Religious Council of Singapore
Thailand	• The Central Islamic Council of Thailand
Vietnam	• Halal Certification Agency, Vietnam

- Guidelines on Halal F&B are generally similar in all the Target Countries. The term Halal F&B refers to F&B products that are considered lawful according to Islamic Law. As such, operators that are involved in dealing with Halal products must take note of F&B that are deemed unlawful, which include the following, among others:
  - Animals not slaughtered in accordance to Islamic principles;
  - Swine;
  - Dog;
  - Animals that live on land and water such as frogs, turtles and crocodiles;
  - Food additives that are derived from animal sources that are forbidden under Islamic Law;
  - Alcohol.

8.5 Foreign Halal Certification Bodies Recognised by JAKIM

- The foreign Halal certification bodies and authorities that are recognised by JAKIM in the Target Countries are listed in the following table:

Country	Halal Certification Authority
Indonesia	The Assessment Institute for Foods, Drugs and Cosmetics, the Indonesian Council of Ulama
The Philippines	Islamic Da'wah Council of the Philippines
	National Commission on Muslim Filipinos
	Institute of The Philippines Islamic Advocate on Halal and Development
Singapore	Islamic Religious Council of Singapore
Thailand	The Central Islamic Committee of Thailand
Vietnam	Halal Certification Agency, Vietnam

(Source: JAKIM)

9. AVAILABILITY OF SUBSTITUTES

- There are various substitutes for processed F&B, depending on the type of product involved. The most direct substitutes are fresh produce and unprocessed fresh raw meat and seafood.

- Within processed F&B itself, there are various types of processed food in different forms of packaging, including bags, cans, boxes, bottles or cartons. Various types of processed F&B are close (albeit not perfect) substitutes, for example pasta, instant noodles, dried noodles, and vermicelli may be used in similar ways.

- As such, there will always be availability of substitutes within the Processed F&B Industry.

10. RELIANCE ON AND VULNERABILITY TO IMPORTS

- The following is only a general discussion on the reliance and vulnerability to imports for the Processed F&B Industry as this is dependent on the business activity, F&B product itself and the country.

- It is common in the industry that the reliance on and vulnerability to imports may be applicable to the following areas:
  - Reliance on imports of raw materials for the manufacture of F&B products;
  - Reliance on imports of finished F&B products;
  - Reliance on imports of packaging materials;
  - Reliance on and vulnerability to imports of machinery and equipment used in the manufacture of processed F&B products.

11. COMPETITION

- The following section provides an indication of some of the selected public listed companies operating in the Processed F&B Industry. Note that this is not an exhausted list, but provides some examples of companies operating in this industry. As the product segments of Processed F&B Industry is wide and diverse, it is not possible to cover all types of products in the list.

11.1 Malaysia

- Some of the selected public listed companies that are currently operating in the Processed F&B Industry in Malaysia are as follows:
  - Apollo Food Holdings Berhad;
  - Cocoaland Holdings Berhad;
  - DKSH Holdings (Malaysia) Berhad;
  - Dutch Lady Milk Industries Berhad;
  - EKA Noodles Berhad (formerly known as KBB Resources Berhad);
  - Fraser & Neave Holdings Bhd;
  - Guan Chong Berhad;
  - Hup Seng Industries Berhad;
  - Hwa Tai Industries Berhad;
  - Kawan Food Berhad;
  - Khee San Berhad;
  - London Biscuits Berhad;
  - Nestle (Malaysia) Berhad;
  - OCB Berhad;
  - Oriental Food Industries Holdings Berhad;
  - Power Root Berhad;
  - Rex Industry Berhad;
  - Saudee Group Berhad (formerly known as Sinaria Corporation Berhad);
  - Spritzer Bhd;
  - Yee Lee Corporation Bhd.

  Note: The above companies are listed in alphabetical order and are not exhaustive.
  (Source: Vital Factor)

11.2 Indonesia

- Some of the selected public listed companies that are currently operating in the Processed F&B Industry in Indonesia are as follows:
  - PT Cahaya Kalbar Tbk;
  - PT Indofood CBP Sukses Makmur Tbk;
  - PT Mayora Indah Tbk;
  - PT Nippon Indosari Corpindo Tbk;
  - PT Sekar Bumi Tbk;
  - PT Sekar Laut Tbk;
  - PT Siantar Top Tbk;
  - PT Tiga Pilar Sejahtera Food Tbk;
  - PT Tigaraksa Satria Tbk;
  - PT Tri Banyan Tirta;
  - PT Ultrajaya Milk Industry Tbk.

  Note: The above companies are listed in alphabetical order and are not exhaustive.
  (Source: Vital Factor)

11.3 The Philippines

- Some of the selected public listed companies that are currently operating in the Processed F&B Industry in the Philippines are as follows:
  - Alliance Select Foods International Inc;
  - Oleo-Fats Inc;
  - Pepsi-Cola Products Philippines Inc;
  - RFM Corporation;
  - San Miguel Pure Foods Company Inc;
  - Universal Robina Corporation.

  Note: The above companies are listed in alphabetical order and are not exhaustive.
  (Source: Vital Factor)

11.4 Singapore

- Some of the selected public listed companies that are currently operating in the Processed F&B Industry in Singapore are as follows:
  - Auric Pacific Group Limited;
  - Cerebos Pacific Limited;
  - Del Monte Pacific Limited;
  - Envictus International Holdings Limited;
  - Food Empire Holdings Limited;
  - Fraser and Neave Limited;
  - Olam International Limited;
  - Petra Foods Limited;
  - QAF Ltd;
  - Sino Grandness Food Industry Group Limited;
  - Super Group Ltd;
  - Viz Brandz Limited;
  - Yeo Hiap Seng Ltd.

  Note: The above companies are listed in alphabetical order and are not exhaustive.
  (Source: Vital Factor)

11.5 Thailand

- Some of the selected public listed companies that are currently operating in the Processed F&B Industry in Thailand are as follows:
  - AgriPure Holding PCL;
  - Charoen Pokphand Foods PCL;
  - Food and Drinks PCL;
  - Haad Thip PCL;
  - Malee Sampran Factory PCL;
  - Patum Rice Mill and Granary PCL;
  - President Bakery PCL;
  - President Rice Products PCL;
  - Seafresh Industry PCL;
  - Sermsuk PCL;
  - Siam Food Products PCL;
  - S. Khonkaen Food PCL;
  - Thai President Foods PCL;
  - Thai Union Group PCL;
  - Thai Wah Food Products PCL;
  - Tipco Foods PCL;
  - Tropical Canning (Thailand) PCL.

  Note: The above companies are listed in alphabetical order and are not exhaustive.
  (Source: Vital Factor)

11.6 Vietnam

- Some of the selected public listed companies that are currently operating in the Processed F&B Industry in Vietnam are as follows:
  - Bibica Corporation;
  - Ca Mau Frozen Seafood Processing Import Export Corporation;
  - Chuong Duong Beverages JSC;
  - Hai Ha Confectionery JSC;
  - Hanoimilk JSC;
  - Kinh Do Corporation;
  - Ma San Group Corporation;
  - Minh Phu Seafood Group Corporation;
  - Safoco Foodstuff JSC;
  - Sao Ta Foods JSC;
  - Vietnam Dairy Products JSC;
  - Vinacafe Bien Hoa JSC.

  Note: The above companies are listed in alphabetical order and are not exhaustive.
  (Source: Vital Factor)

12. THREATS AND RISK ANALYSIS

12.1 Global Economic Slowdown

- Any prolonged and/or widespread global economic slowdown would affect consumer confidence and spending. The increasing uncertainty over the global and domestic economies may cause consumers to exercise more caution in their spending, which may in turn reduce their purchases of some types of processed F&B products.

- This may have a negative impact on the performance of operators within the Processed F&B Industry as the general public is ultimately the end-consumer.

Mitigating Factors

- Although an economic slowdown would affect consumer spending in general, the impact on consumer spending on F&B products as a whole may be less severe as food products, including processed F&B products, are generally considered as necessities. As such, consumers are likely to continue purchasing processed F&B products during an economic slowdown, although they may switch to lower priced items.

- In addition, certain types of processed F&B, for instance rice-based noodles and other products which are regarded as staple food in some countries, are less likely to be affected by an economic slowdown.

12.2 Reputation Risk

- The reputations of operators in the Processed F&B Industry are sensitive to public perception as F&B products are eaten and drunk directly by the general public. Improper processing, storage or handling during the processing, manufacturing or distribution phases may cause F&B products to become contaminated, resulting in food poisoning or other illnesses.

- An operator may also become the target of malicious sabotage or rumours that are intended to damage its reputation. Harmful substances may be maliciously introduced into an operator's F&B products. Rumours may be circulated making unfounded claims of harm resulting from consuming an operator's F&B products.

- Incidences of F&B contamination, sabotage or rumours may have an adverse impact on the brand name, reputation and public perception of the operator, which in turn may have a negative effect on the demand for their products. The operator may have to recall their F&B products, and may be subjected to administrative action by the relevant authorities. These may have an adverse effect on the financial performance and future prospects of an operator.

Mitigating Factors

- Operators that continually ensure the safe and proper handling of food and ingredients through the entire F&B manufacturing and distribution process are in a better position to reduce the risk of food contamination.

- In addition, manufacturers who comply with recognised food safety standards, such as Good Manufacturing Practices (GMP), Good Hygiene Practices (GHP), and Hazard Analysis and Critical Control Points (HACCP) would reduce the risk of contamination.

- While an operator may take all prudent measures to minimise the risk of food contamination, incidences of sabotage or rumours are largely outside of an operator's control. To minimise the potential for reputation risk arising from sabotage and rumours, an operator may investigate any incidents with the relevant authorities, and communicate with consumers in a transparent and timely manner.

12.3 Fluctuations in the Prices of Raw Materials and Ingredients

- Various types of raw materials and ingredients are used by the Processed F&B Industry to manufacture F&B products. As such, an increase in the price of raw materials and ingredients that is not passed on to end consumers could have an impact on the operator's financial performance. Alternatively, if the increase in cost is passed onto consumers, the operator's price competitiveness may be reduced.

- While manufacturers in the Processed F&B Industry are the operators that are most directly affected by fluctuations in the prices of raw materials, operators that are involved in branding and marketing, and distribution may also be affected. Operators that are only involved in branding and marketing may be faced with higher costs as their contract manufacturers pass the raw material price increases on to them. Their financial performance may be adversely affected if they do not pass the increase in costs to end consumers, or their F&B products may become less price competitiveness if they pass the cost increase down to end consumers.

- The financial performance of operators that are only involved in distribution may be adversely affected if they do not pass the increase in costs on to end consumers. Alternatively, the price competitiveness of the F&B products they distribute may be reduced if they pass the cost increase down to end consumers.

Mitigating Factors

- The raw materials and ingredients that are used to manufacture processed F&B products are generally commodities that are subjected to global market prices. Hence, all operators that use these raw materials are equally affected by price fluctuations.

12.4 Mislabelling of Product Content

- Mislabelling of F&B products, including providing inaccurate information regarding its contents, may result in people consuming ingredients that they are allergic to, which are not safe for consumption, or which are against their religious or other beliefs or preferences.

- The brand name, reputation and public perception of an operator may be adversely affected if it has been found to be dealing in mislabelled F&B products, either as brand owner and marketer, a manufacturer, and/or distributor, which in turn may reduce demand for its F&B products. The operator may, among others, have to recall its F&B products, be subject to administrative action by the relevant authorities, be required to compensate affected end consumers, and/or be subject to legal action resulting from product liability claims. These actions may have an adverse effect on the financial performance and future prospects of an operator.

Mitigating Factors

- Operators involved in branding and marketing who engage third parties to manufacture F&B products on their behalf may reduce the risk of product mislabelling by engaging certified manufacturers, and conducting independent testing to verify the F&B product's contents. Operators involved in manufacturing that have obtained quality certification are able to provide some assurance to consumers that their F&B products are of a certain quality. These operators would send their products for third-party certification to prove that quality and safety requirements are complied with, and verified by independent testing.

- Operators involved in branding and marketing and/or manufacturing may appoint a brand committee or similar body responsible for, among others, approving the formulation and manufacturing process of their F&B products. Approval from the brand committee must be obtained before any changes to an F&B product's formulation or manufacturing process are allowed.

- Operators involved in distributing F&B products may reduce their exposure to the risk of product mislabelling by distributing products from reputable brands or manufacturers.

12.5 Availability of Raw Materials and Ingredients

- Operators in Processed F&B Industry are dependent on the consistent supply of suitable raw materials and ingredients for the production of F&B products. A diverse range of raw materials and ingredients are used to produce F&B products including, among many others, meat, poultry, seafood products, dairy products, fruits and vegetables, grains, edible oils, sugar, water, salt and spices. The supply of these and other raw materials and ingredients may be affected by external factors such as the occurrence of natural disasters, political events and adverse weather conditions, and are subject to fluctuation.

- Fluctuations in the supply of food ingredients may result in price fluctuations. The risks relating to fluctuations in the prices of raw materials and ingredients are discussed in Section 12.3.

- Fluctuations in the supply of a raw material or ingredient may reduce the quantity available, which may result in shortages. This in turn may lead to a disruption in the production of certain types of F&B products. A disruption in the production of F&B products may have an adverse effect on the financial performance of the operators that are involved with the F&B products, including manufacturers, branding and marketing establishments, and distributors.

Mitigating Factors

- In some instances, an operator may be able to respond to a shortage of a raw material or ingredient by modifying the formulation or production process of their F&B product such that the usage of the raw material or ingredient in question is reduced, and/or substitute its use with another raw material or ingredient.

- Operators may also seek to reduce the risk of supply shortage by obtaining their raw materials and ingredients from a range of alternative sources, as a supply disruption may be restricted to a particular location or country.

12.6 Product Liability

- In general, operators in the Processed F&B Products Industry serve the general public directly as members of the general public are the main end consumers of F&B products. As a result, operators in the Processed F&B Products Industry are exposed to the risk of product liability stemming from, among others, manufacturing defects, design defects, or defective warnings or instructions.

- Members of the public claiming damages from these defects may take legal action against an operator, which may have an adverse financial impact on its business, as well as create bad publicity that may damage its brand and reputation. While manufacturers are likely to be the most directly exposed to the risk of public liability (as the party manufacturing the F&B products), operators involved in branding and marketing, and distribution may also face legal action for negligence.

Mitigating Factors

- Operators in the Processed F&B Industry may mitigate the risk posed by product liability by obtaining product liability insurance.

- Operators may also exercise due care and consideration in their operations. For example, manufacturers may implement food processing, handling and storage procedures that are in line with internationally recognised standards or practices. Operators that are involved in branding and marketing may follow the relevant advertising guidelines and regulations, while operators involved in distribution may ensure that their F&B products are stored and handled in the proper manner.

- Operators may also ensure that their F&B products are accurately labelled in accordance with the relevant guidelines and regulations.

12.7 Adverse Political, Economic and Regulatory Developments

- Adverse developments in political, economic and regulatory conditions could unfavourably affect the financial position and business prospects of operators in the Processed F&B Industry. These risks include, among others, the risk of war or civil disturbance, changes in political leadership, changes in foreign exchange rate policy, changes in interest rates, methods of taxation and unfavourable changes in government policies such as introduction of new regulations, import restrictions and duties, export restrictions and duties, and tariffs.

Mitigating Factor

- Operators in the Processed F&B Industry may reduce the risk of political, economic and regulatory considerations by diversifying their operations in terms of the countries and markets served, as well as their F&B product range.

13. INDUSTRY PROSPECTS AND OUTLOOK

- In general, the prospects and outlook of the Processed F&B Industry are dependent on the following factors:
  - population demographics;
  - urbanisation;
  - general economic conditions;
  - consumer affluence;
  - food consumption;
  - inflation.

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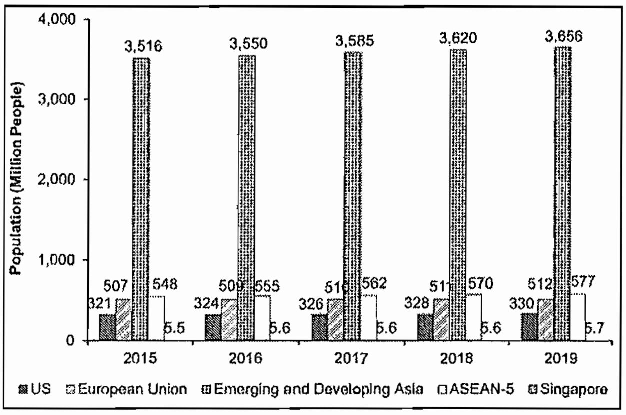
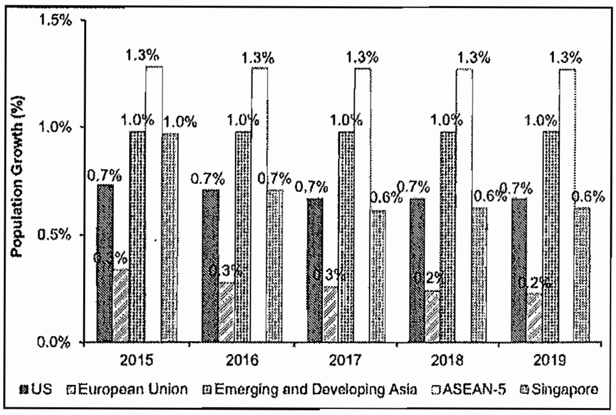
13.1 Population Demographics

- As the general public is the primary end-consumer of processed F&B products, changes in population demographics would have a significant impact on the performance of the Processed F&B Industry.
- The table below displays the population size and growth in Emerging and Developing Asia, ASEAN-5 countries and Singapore compared to other regions over the next five years.

Forecast Population: 2015 to 2019



Forecast Population Growth Rate: 2015 to 2019



(Source: Vital Factor analysis)

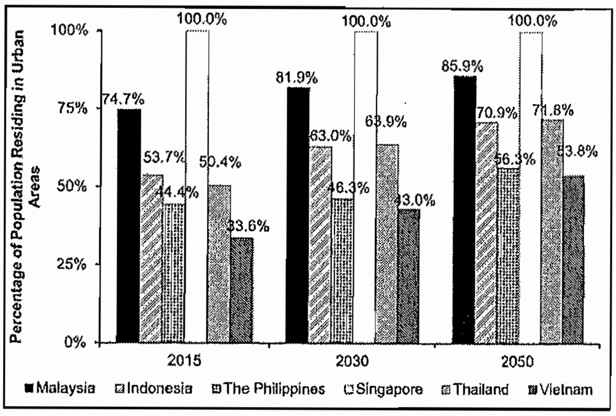
- Population growth in ASEAN-5 countries will continue to outpace countries in the US and the EU, as well as, Emerging and Developing Asia.
- While population growth in Emerging and Developing Asia (approximately 1.0% per year between 2015 and 2019) is forecasted to be slightly lower compared to ASEAN-5 (approximately 1.3% per year over the same period), the large population of Emerging and Developing Asia, forecasted at approximately 3.7 billion in 2019, would serve as a large potential market for Processed F&B products.
- Singapore's population is forecasted to grow at a CAGR of 0.6% between 2015 and 2019, which is lower compared to ASEAN-5 over the same period. Although Singapore's population is relatively small, the prospects of the Processed F&B industry in the country are supported by the country's high GDP per capita coupled with forecasts that real GDP and GDP per capita will continue to grow, while inflation is forecast to remain at a relatively low level.
- The growing population in Emerging and Developing Asia, and ASEAN-5 countries will augur well for the prospects of the Processed F&B Industry in these two regions.

13.2 Urbanisation

- Growth in urban population would also have an impact on the demand for processed F&B products as a result of changes in lifestyle of the general public or increases in affluence.

- Singapore is fully urbanised with 100.0% of the population currently residing in urban areas. Moving forward, the percentage of the population in each of the other Target Countries (namely Indonesia, Malaysia, the Philippines, Thailand and Vietnam) residing in urban areas are projected to increase. By 2050, more than half of the total population in each of the other Target Countries is expected to reside in urban areas.

Percentage of Population Residing in Urban Areas: 2015 to 2050



(Source: Vital Factor analysis)

- Recent data on the average monthly expenditure on food and non-alcoholic beverages of urban and rural households in Malaysia, and average monthly expenditure on food of urban and rural households in Indonesia and Vietnam are summarised in the following table:

Malaysia	Between 2004/05 and 2009/10, average monthly expenditure on food and non-alcoholic beverages per household by urban and rural population in Malaysia were as follows: - Urban households: grew at a CAGR of 1.9% to reach RM447 in 2009/10; - Rural households: grew at a CAGR of 3.8% to reach RM439 in 2009/10.
Indonesia	Between 2008 and 2012, average monthly expenditure per capita on food by urban and rural population in Indonesia were as follows: - Urban population: grew by at a CAGR of 13.9% to reach 375,110 Rupiah in 2012; - Rural population: grew at a CAGR of 13.1% to reach 272,249 Rupiah in 2012.
Vietnam	Between 2008 and 2012, average monthly consumption expenditure per capita on food by urban and rural population in Vietnam were as follows: - Urban population: grew at a CAGR of 20.3% to reach approximately 1,073,000 Dongs in 2012; - Rural population: grew at a CAGR of 22.5% to reach approximately 658,000 Dongs in 2012.

Note: Singapore is 100% urbanised, while there are no available data for The Philippines and Thailand.
(Sources: Department of Statistics Malaysia; Statistics Indonesia; General Statistics Office of Vietnam)

- The data indicates that the average monthly expenditure on food of urban households and population generally exceed that of rural households. As such, the projected continuing increase in the percentage of the population residing in urban areas of the Target Countries will likely benefit operators in the Processed F&B Industry serving these countries.

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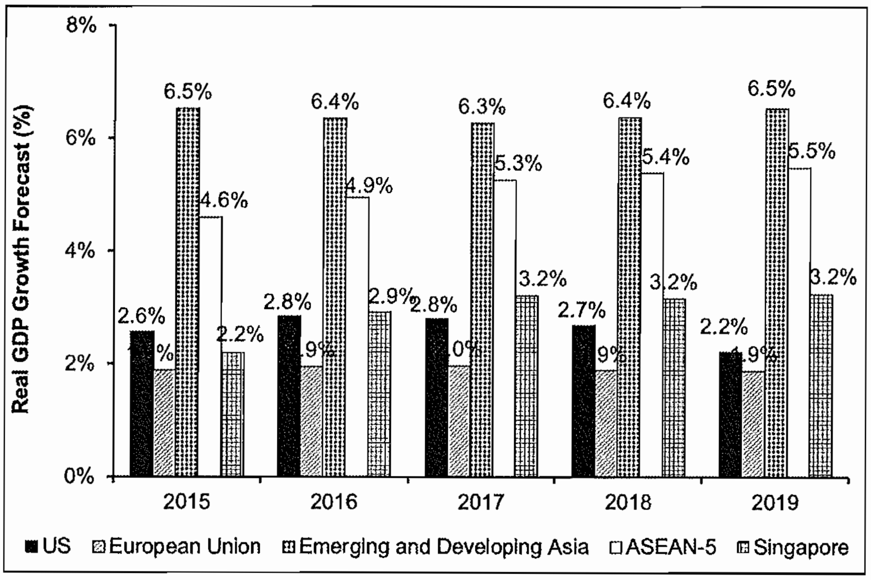
13.3 General Economic Conditions

- Generally, positive economic conditions characterised by positive real GDP growth will tend to encourage demand for manufactured products including processed F&B.

Real GDP Growth Forecast: 2015 to 2019



(Source: Vital Factor analysis)

- Moving forward, Emerging and Developing Asia and ASEAN-5 are expected to continue with their robust economic growth with real GDP forecasted to grow at a CAGR of 6.4% and 5.3% respectively between 2015 and 2019.

- Sustained real GDP growth will provide the platform for continuing growth in the Processed F&B Industry, among many other industries, particularly for Emerging and Developing Asia, and ASEAN-5 countries.

- The forecast sustained growth in real GDP would contribute favourably to the prospects of the Processed F&B Industry in Emerging and Developing Asia, and ASEAN-5 countries.

- Singapore's real GDP is forecasted to grow at a CAGR of 3.1% between 2015 and 2019. Although this is slightly lower than the forecasted real GDP growth rate for Emerging and Developing Asia, and ASEAN-5 countries, Singapore is a unique opportunity for consumer based businesses due to its small physical size and population, but relatively large GDP and GDP per capita.

- The following diagram charts growth in consumption expenditure on food against real GDP growth for the period between 2011 and 2014 for the Target Countries (namely Malaysia, Indonesia, the Philippines, Singapore and Thailand) for the years in which such data are available.

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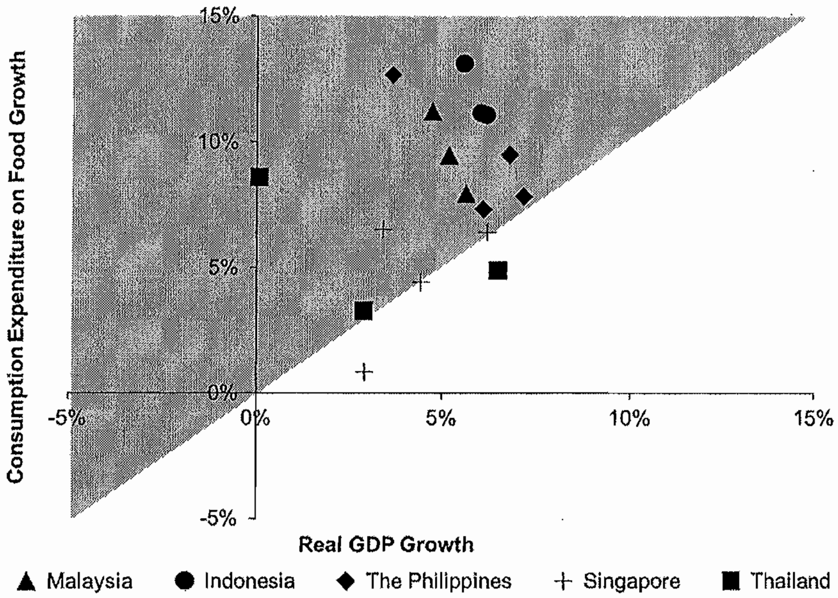
Growth Rates of Consumption Expenditure on Food and Real GDP from 2011 to 2014



(Sources: Bank Negara Malaysia; Department of Statistics Malaysia; Statistics Indonesia; National Statistical Coordination Board, the Philippines; Department of Statistics Singapore; Office of the National Economic and Social Development Board, Thailand; Vital Factor analysis)

- Each data point in the diagram above plots the growth rate in consumption expenditure on food (y-axis) with a country's real GDP growth rate (x-axis) for the corresponding year. The shaded area indicates instances when consumption expenditure on food increased at a higher rate than real GDP growth in the same year.
- As most of the data points fall within the shaded area, the diagram suggests that consumption expenditure on food in the countries covered generally grew at a faster pace compared to real GDP growth.
- These observations suggest that the forecast sustained growth in real GDP for Emerging and Developing Asia, and ASEAN-5 may be reinforced by consumption on food increasing at a higher rate than real GDP growth.

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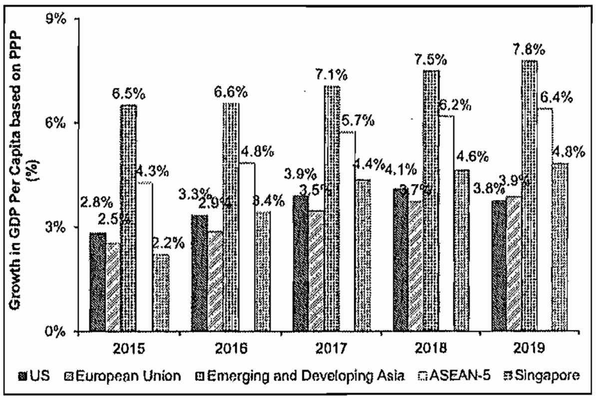
13.4 Consumer Affluence

- Growth in GDP per capita based on PPP would indicate increasing affluence of the general population. This in turn would create increased demand for consumer products including processed F&B.

- Growth in GDP per capita based on PPP is forecasted to continue, particularly for Emerging and Developing Asia, ASEAN-5 and Singapore where growth is forecasted to exceed those of the US and the EU. This would contribute favourably to the prospects of the Processed F&B Industry in these countries.

Growth in GDP Per Capita Growth based on PPP



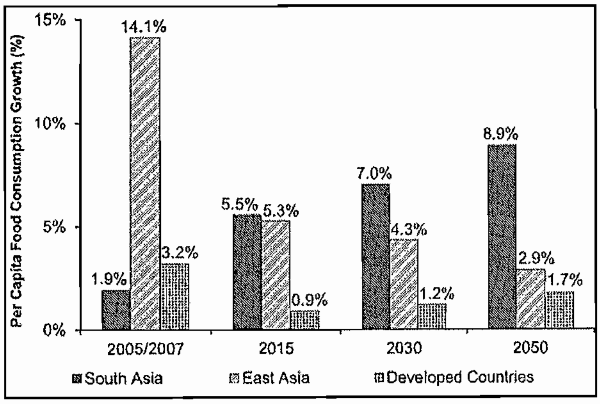
Note: PPP = Purchasing Power Parity.
(Source: Vital Factor analysis)

13.5 Food Consumption Growth

- In 2005/2007, East Asia experienced the highest per capita food consumption growth compared to Developed Countries as well as South Asia. Moving forward, South Asia and East Asia, which includes ASEAN countries, is forecasted to continue growing at a faster rate compared to Developed Countries.

- The continuing growth in per capita food consumption in South Asia and East Asia would augur well for the prospects of the Processed F&B Industry, including those in ASEAN countries.

Per Capita Food Consumption Growth

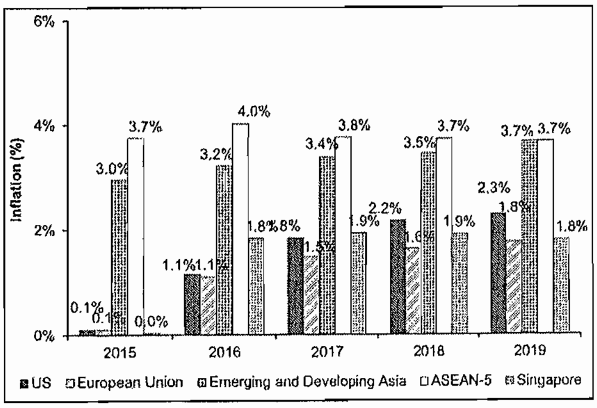


(Source: Vital Factor analysis)

13.6 Inflation

- A high inflation rate has a dampening effect on the consumption of consumer goods, including processed F&B products, as it indicates that the prices of consumer goods are increasing. The dampening effect of inflation is more pronounced in countries where wages are increasing at a lower rate than inflation.

Inflation Rates



(Source: Vital Factor analysis)

- While Emerging and Developing Asia, and ASEAN-5 are forecasted to see better growth in many areas compared to the US and the EU, Emerging and Developing Asia, and ASEAN-5's relatively higher inflation rates may negate some of the benefits of the other factors discussed here. Relatively low inflation rates are forecasted for Singapore during this period, with inflation forecasted at between 0.0% and 1.9% per year from 2015 to 2019.

- However, real GDP and GDP per capita growth for Emerging and Developing Asia, ASEAN-5 and Singapore are forecasted to outpace the projected inflation rates between 2015 and 2019 for these regions. Projected economic growth may provide confidence to businesses and consumers to overcome inflationary pressures.

13.7 Key Indicators for Target Countries

Key Indicators for Target Countries

	Forecast CAGR: 2015 – 2019 (%)					
	Malaysia	**Indonesia**	**The Philippines**	**Singapore**	**Thailand**	**Vietnam**
Real GDP	4.9	5.6	6.5	3.1	3.4	6.1
Population	1.7	1.3	2.0	0.6	0.1	1.0
GDP Per Capita	9.8	4.7	8.8	4.3	4.8	6.4

(Sources: Bank Negara Malaysia; Department of Statistics Malaysia; Vital Factor analysis)

- The key indicators comprising real GDP, population and GDP per capita for the Target Countries are forecasted to continue to show growth, which may support the growth of the Processed F&B Industry.

13.8 Conclusion

- In general, a positive outlook for the population demographics, general economic conditions, consumer affluence and food consumption for Emerging and Developing Asia, ASEAN-5 and Singapore should contribute to a growing demand for processed F&B to support a favourable prognosis of the Processed F&B Industry in ASEAN countries.

- If Emerging and Developing Asia, and ASEAN-5 countries are able to effectively manage inflationary pressure, the Processed F&B Industry would be able to benefit from the various favourable economic and social demographic factors.

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We, Vital Factor, have prepared this report in an independent and objective manner, and have taken all reasonable consideration and care to ensure a fair assessment of the industry covered. Our assessment is for the overall industry and may not necessarily reflect the performance of any individual company. We do not take any responsibilities for the decisions or actions of the readers of this document. This report should not be taken as a recommendation to buy or not to buy the shares of any company.

Due to the wide scope of coverage, this report is not able to provide sufficient information, details and depth on any one or more F&B products in any one or more Target Countries. Readers are advised to seek alternative sources for more information and details.

Certain statements, including assessments and opinions in this report, are forward-looking in nature, and are subject to uncertainties and contingencies. While statements made in this report are based on, among others, secondary statistics and information, primary market research, and after careful analysis of data and information, the industry is subjected to various known and unforeseen forces, actions and inactions that may render some of these statements to differ materially from actual future results. In light of these and other uncertainties, the inclusion of forward-looking statements in this report should not be regarded as a representation or warranty that our assessment will be justifiable. Given the risks and uncertainties of future events and conditions, we advise investors not to place undue over-reliance on those statements and, where relevant, seek further independent and expert advice.

Yours sincerely

Wooi Tan
Managing Director

6. INFORMATION ON OUR COMPANY

6.1 BACKGROUND INFORMATION OF OUR COMPANY

Our Company was incorporated in Malaysia under the Act as a private company limited by shares on 15 September 2014 under the name of Red Sena Sdn Bhd. Our Company converted from a private limited company to a public limited company on 3 November 2014, assuming its present name.

The principal activity of our Company is an investment holding company. As at the LPD, our Company has yet to commence business operations and does not have any subsidiary and associated company.

We intend to list on the Main Market of Bursa Securities as a SPAC. A SPAC is a special purpose acquisition company which has no operations or income generating business at the point of initial public offering but undertakes an initial public offering for the purpose of raising funds to acquire operating companies or assets, otherwise known as Qualifying Acquisition.

6.2 KEY CRITERIA OF A SPAC

Our Company meets the following key criteria of a SPAC as provided for under the Equity Guidelines:

Key criteria for SPAC	Our Company's position
Minimum funds raised A SPAC must raise a minimum of RM150 million through its initial public offering.	The amount to be raised under our IPO is RM400,000,000.
Interest of management team Members of the management team of the SPAC, in aggregate, must own at least 10% equity interest in the SPAC on the date of its listing on Bursa Securities.	Our Management Team, via Raintree, will own approximately 20.00% of the enlarged issued and paid-up ordinary share capital of our Company upon our Listing.
Pricing of securities The minimum effective price of securities issued to the management team must be at least 10% of the price at which the securities are offered under the initial public offering.	The effective price of our Shares issued to Raintree is RM0.05 per Share, which represents 10.00% of the Issue Price.
The minimum effective price of securities issued to pre-IPO investors prior to the initial public offering must be at least 60% of the price at which the securities are offered under the initial public offering.	Not applicable as we do not have any pre-IPO investors.
Management of IPO proceeds A SPAC must place at least 90% of the gross proceeds from its initial public offering in a trust account immediately upon receipt of all proceeds. The monies in the trust account may only be released by the custodian of the trust account upon termination of the trust account.	We will be placing 92.00% of the gross proceeds to be raised from our IPO in our Cash Trust Account immediately upon receipt of all IPO proceeds and which will be dealt with in the manner as set out in Annexure B of this Prospectus.

Key criteria for SPAC	Our Company
Management of IPO proceeds *(Cont'd)* The proceeds in the trust account may be invested in permitted investments. Any income generated by the funds held in the trust account, including interest/dividend income derived from the permitted investments, must accrue to the trust account.	Our IPO Trust Proceeds in our Cash Trust Account may be invested in Permitted Investments and any profit, interest, dividend and/or income derived from the Permitted Investments will accrue to our Cash Trust Account.
The proceeds from the initial public offering that are not placed in the trust account may be utilised to defray expenses related to the initial public offering and operating costs, fund the search for a target business and complete the qualifying acquisition.	We will utilise the balance of our IPO proceeds, being 8.00% of the total IPO proceeds, to defray Listing expenses and for working capital purposes. Please refer to Section 3.8 of this Prospectus for our proposed utilisation of proceeds raised from our IPO.
Prior to the completion of the qualifying acquisition, the proceeds from the initial public offering that are not placed in the trust account must not be utilised for the payment of remuneration (including any remuneration-in-kind), directly or indirectly, to the members of the management team or their related parties.	We will utilise the funds raised from the subscription of Shares by Raintree prior to our IPO for the payment of remuneration (including any remuneration-in-kind), to the members of our Management Team.
Majority ownership and management control A qualifying acquisition by a SPAC should result in the SPAC having an identifiable core business of which it has a majority ownership and management control. The SC may consider a qualifying acquisition involving an acquisition of a non-majority stake if the SPAC can demonstrate that such non-majority stake is in line with the regulations of and/or practices within the industry and that it has management control.	We will ensure that our Qualifying Acquisition will result in our Company having an identifiable core business(es) of which we will have majority ownership and/or management control. Our Company intends to acquire at least 51.00% of equity interests in target Qualifying Acquisition in Processed F&B industry. This will allow us to have majority ownership and management control over the operations as well as over the strategic and financial decisions of our Qualifying Acquisition.
Aggregate fair market value of qualifying acquisition The qualifying acquisition, which may comprise more than one acquisition, must have an aggregate fair market value equal to at least 80% of the aggregate amount in the trust account (net of any taxes payable)	Our Qualifying Acquisition, which may comprise more than one (1) acquisition, will have an aggregate fair market value of at least 80.00% of the aggregate amount in our Cash Trust Account (net of any taxes payable).

Key criteria for SPAC	Our Company
Time frame for completion of qualifying acquisition A SPAC must complete a qualifying acquisition within the permitted time frame i.e. no later than 36 months from the date of listing of the SPAC on Bursa Securities. Where the qualifying acquisition comprises more than one (1) acquisition, the sale and purchase agreements relating to each of the acquisitions must be inter-conditional and complete simultaneously within the permitted time frame.	We target to complete our Qualifying Acquisition within the Permitted Timeframe. If our Qualifying Acquisition comprises more than one (1) acquisition, our Company will ensure that the sale and purchase agreements relating to each of the acquisitions are inter-conditional and complete simultaneously within the Permitted Timeframe.
Approval for qualifying acquisition The resolution on the qualifying acquisition must be approved by a majority in number of the holders of voting securities representing at least 75% of the total value of securities held by all holders of voting securities present and voting either in person or by proxy at a general meeting duly called for that purpose. Where the qualifying acquisition comprises more than one (1) acquisition, each acquisition must be approved by the holders of voting securities in the same manner.	The resolution on our Qualifying Acquisition must be approved by a majority in number of shareholders representing at least 75.00% of the total value of all the shares held by our shareholders present and voting either in person or by proxy at our EGM, excluding Raintree, our Management Team and persons connected to them. Where our Qualifying Acquisition comprises more than one (1) acquisition, we will subject each acquisition to the approval of our shareholders in the same manner.
Members of the management team and persons connected to them must not vote on a resolution approving a qualifying acquisition.	Raintree, our Management Team and persons connected to them are subject to Non-Participation Obligations and they will abstain from voting at our EGM to be convened for the approval of our Qualifying Acquisition.
Rights of holders of voting securities who vote against a qualifying acquisition Holders of voting securities (other than the members of the management team and persons connected to them) who vote against a qualifying acquisition at a meeting convened to consider the qualifying acquisition must be– (a) entitled to receive, in exchange for their securities, a sum equivalent to a pro rata portion of the amount then held in the trust account (net of any taxes payable and expenses related to the facilitation of the exchange), provided that such qualifying acquisition is approved and completed within the permitted time frame; and	In accordance with our Articles of Association (as set out in Section 13.2(h) of this Prospectus) and provided we complete our Qualifying Acquisition within the Permitted Timeframe, we will refund the Dissenting Shareholders under the Qualifying Acquisition Share Repurchase immediately after the completion of the transaction on our Qualifying Acquisition in accordance with the terms of the relevant sale and purchase agreement. The details of when the completion of our Qualifying Acquisition will take place will be set out in the circular to our shareholders relating to our Qualifying Acquisition. We will cancel the Shares tendered under the Qualifying Acquisition Share Repurchase.

Key criteria for SPAC	Our Company
Rights of holders of voting securities who vote against a qualifying acquisition *(Cont'd)*	
(b) paid as soon as practicable upon completion of the qualifying acquisition should they elect to exchange their securities. The securities tendered in exchange for cash must be cancelled.	Please refer to Section 6.2.1 of this Prospectus for the basis of computation for the amount to be paid to any Dissenting Shareholder under the Qualifying Acquisition Share Repurchase.
The basis of computation for the pro rata entitlement must be disclosed in the prospectus.	
Custodian A SPAC must secure and maintain custodial arrangements at all times over the monies in the trust account until the termination of the trust account.	We have appointed the Custodian to hold the monies in our Cash Trust Account in accordance with Article 60B of our Articles of Association as set out in Section 13.2(g) of this Prospectus.
The roles and responsibilities of the custodian are as follows: (a) the custodian must hold in trust, the proceeds from an issuance of securities by the SPAC, in accordance with the custodian agreement, the Equity Guidelines and applicable laws; (b) the custodian must take appropriate measures to ensure the safekeeping of the monies held in the trust account. In particular, the custodian must ensure that: (i) proper accounting records and other records as are necessary are kept in relation to the trust account; and (ii) custody and control of monies held in the trust account is in accordance with the provisions of the custodian agreement; (c) the custodian may be provided a mandate by the management team to invest the amounts held in the trust account in permitted investments; and (d) the custodian may only distribute and/or liquidate the funds held in the trust account in accordance with the provisions in the custodian agreement.	The roles and responsibilities of the Custodian are in accordance with the requirements of the SC and are set out in Annexure B of this Prospectus. Please refer to Annexure B of this Prospectus for the salient terms of the Custodian Agreement.

Key criteria for SPAC	Our Company
Liquidation distribution upon failure to meet time frame for a qualifying acquisition A SPAC which fails to complete a qualifying acquisition within the permitted time frame must be liquidated. The amount then held in the trust account(s) (net of any taxes payable and direct expenses related to the liquidation distribution), must be distributed to the respective holders of voting securities on a pro rata basis as soon as practicable, as permissible by the relevant laws and regulations. Any income earned from permitted investments accruing in the trust account will form part of the liquidation distribution.	If we do not complete our Qualifying Acquisition within the Permitted Timeframe, our Company will be liquidated. In accordance with our Articles of Association, in such an event, our Trust Property in our Cash Trust Account (net of any taxes payable and direct expenses related to the Liquidation Distribution) will be distributed to our shareholders on a pro rata basis as soon as practicable, as permissible by the relevant laws and regulations. Any profit, interest, dividend and/or income earned from the Permitted Investments accruing to our Cash Trust Account will form part of the Liquidation Distribution.
Members of the management team and persons connected to them shall not participate in the liquidation distribution, except in relation to securities purchased by them after the date of listing of the SPAC on Bursa Securities.	Raintree, our Management Team and persons connected to them are subject to Non-Entitlement Obligations and shall not participate in the Liquidation Distribution, except for Shares purchased by them after our Listing.
Pre-IPO investors shall not participate in the liquidation distribution, except in relation to any securities subscribed for by them as part of the initial public offering and securities purchased by them after the date of listing of the SPAC on Bursa Securities.	Not applicable as we do not have any pre-IPO investors.

6.2.1 Basis of computation for the amount to be paid to any Dissenting Shareholder under our Qualifying Acquisition Share Repurchase

The basis of computation for the amount to be paid to any Dissenting Shareholder under the Qualifying Acquisition Share Repurchase is as follows:

$$X = \frac{Y}{Z}$$

Where:

X = Amount per Share payable to the Dissenting Shareholder

Y = Amount then held in our Cash Trust Account (net of any taxes payable and expenses related to our Qualifying Acquisition Share Repurchase)

Z = Total number of Shares excluding Shares held by our Management Team, persons connected to our Management Team (except in relation to the Shares subscribed or purchased by them or the persons connected to them after the Listing date).

In order to exercise the right to require our Company to purchase Shares under our Qualifying Acquisition Share Repurchase, a Dissenting Shareholder shall be required to send a notice in writing to our Company (in such format, and within such timeframe as may be prescribed by our Company from time to time).

The amount to be paid under our Qualifying Acquisition Share Repurchase shall be effected by our Company in favour of each Dissenting Shareholder immediately after our Qualifying Acquisition has been fully and duly completed in accordance with the Equity Guidelines. The details of when the completion of our Qualifying Acquisition will take place will be set out in a circular to our shareholders relating to our Qualifying Acquisition. Such payment to the Dissenting Shareholders shall be effected in the same manner as provided in Article 151 of our Articles of Association. Please refer to Section 13.2 of this Prospectus for the relevant extracts from our Articles of Association. We will cancel all our Shares that we may repurchase under the Qualifying Acquisition Share Repurchase.

In the event that our Qualifying Acquisition cannot be completed even after the conditions precedent set out in the sale and purchase agreement for the acquisition of our Qualifying Acquisition have been fulfilled or waived (as the case may be), the Dissenting Shareholders would not be paid and we shall search for another Qualifying Acquisition so long as it is within the Permitted Timeframe.

6.2.2 Basis of computation for the Liquidation Distribution

The basis of computation for the Liquidation Distribution is as follows:

$$A = \frac{B}{C}$$

Where:

A = Amount per Share payable to the shareholder as Liquidation Distribution

B = Liquidation Amount

C = Total number of Shares excluding Shares held by our Management Team, persons connected to our Management Team (except in relation to the Shares subscribed or purchased by them or the persons connected to them after the Listing date).

The Liquidation Amount shall be distributed to our shareholders (other than Raintree, our Management Team and persons connected to them) on a pro-rata basis as soon as practicable in accordance with the provisions of the Act and other applicable laws and regulations provided always that Raintree, our Management Team and persons connected to them shall renounce their entitlement to (and shall not participate in) the Liquidation Distribution, except in relation to Shares acquired by Raintree, our Management Team and persons connected to them after our Listing.

6.3 OUR SECURITIES

As at the LPD, our Company has issued and alloted one (1) class of shares, namely our Shares. As at the LPD, the authorised and issued and paid-up share capital of our Company are as follows:

	No. of Shares	RM
Authorised share capital	2,500,000,000	25,000,000
Issued and paid-up share capital	200,000,200	2,000,002

The details of the changes in our issued and paid-up share capital since our incorporation on 15 September 2014 until the LPD are as follows:

Date of allotment	No. of Shares	Consideration	Par value	Cumulative issued and paid-up share capital
			RM	RM
Shares				
15 September 2014	200 [(1)]	Cash	0.01	2
14 October 2014	200,000,000 [(2)]	Cash	0.01	2,000,002

Notes:

(1) Represents the Initial Subscriber Shares.

(2) On 14 October 2014, Raintree entered into the Red Sena Subscription Agreement with our Company to subscribe for a total of 200,000,000 Shares together with 200,000,000 Warrants at a subscription price of RM0.05 per Share. The 200,000,000 Warrants will be issued and allotted to Raintree on the same date of allotment of our Public Issue Shares and Warrants to the IPO Investors. The deferred issuance of Warrants to Raintree is to facilitate the issuance and allotment of all our Warrants (which form the same series and to be constituted under the Deed Poll) at the same time.

There were no discounts, special term or instalment payment plan in relation to the payment for the abovementioned Shares.

As at the LPD, we do not have any Warrants in issue. All Warrants will be simultaneously issued to Raintree and the IPO Investors on the date of issuance and allotment of our Public Issue Shares. This deferred issuance is to facilitate the issuance and allotment of all our Warrants (which form the same series under the Deed Poll) at the same time. The salient terms of our Warrants are set out in Section 3.5.2 of this Prospectus.

The effects of the issuance of new Shares and Warrants pursuant to our IPO are set out in Sections 3.5.1 and 3.5.2 of this Prospectus, respectively.

Save as disclosed above, there are no other outstanding warrants, options, convertible securities and uncalled capital in our Company.

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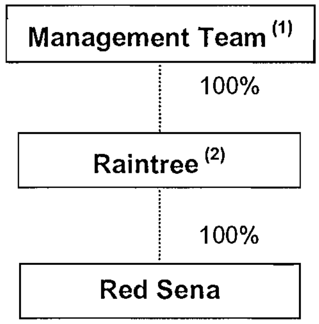
6.4 OUR SHAREHOLDING STRUCTURE

As at the LPD, our Company's shareholding structure is as follow:

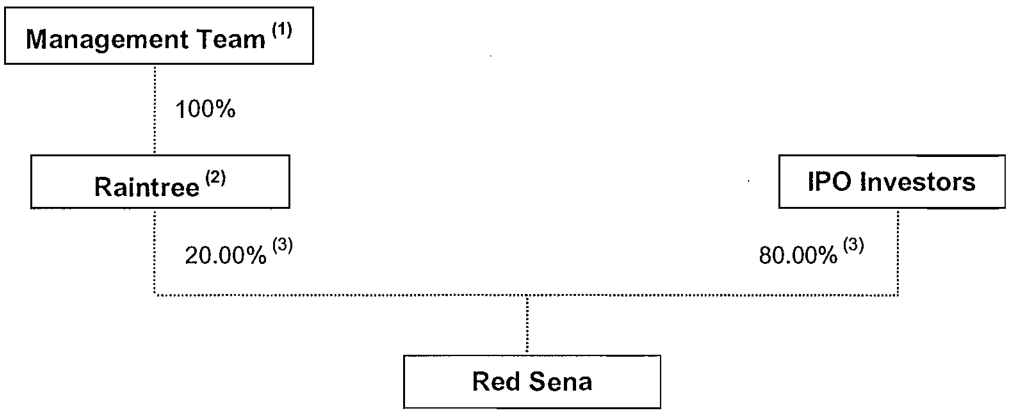


Notes:

(1) *Please refer to Section 8.2 of this Prospectus for the background information on our Management Team.*

(2) *Please refer to Section 8.3.2 of this Prospectus for the background information on Raintree. Our Shares and Warrants held by Raintree are subject to the Shares Moratorium and the Warrants Moratorium, respectively, further details of which are set out in Section 10.2 of this Prospectus.*

For illustration purpose only, the shareholding structure of our Company immediately after our IPO is as follows:



Notes:

(1) *Please refer to Section 8.2 of this Prospectus for the background information on our Management Team.*

(2) *Please refer to Section 8.3.2 of this Prospectus for the background information on Raintree. Our Shares and Warrants held by Raintree are subject to the Shares Moratorium and the Warrants Moratorium, respectively, further details of which are set out in Section 10.2 of this Prospectus.*

(3) *Rounding up figure due to the Initial Subscriber Shares.*

7. INFORMATION ON OUR BUSINESS

7.1 BUSINESS APPROACH

7.1.1 Overview

Our Company was incorporated in Malaysia under the Act as a private limited company on 15 September 2014 under the name of Red Sena Sdn Bhd. On 3 November 2014, our Company was converted into a public company and assumed the present name, Red Sena Berhad. Our Company is an investment holding company and has yet to commence operations.

We intend to list on the Main Market of Bursa Securities as a SPAC. SPACs are companies which have no operations or income generating business but undertake an initial public offering for the purpose of raising funds to acquire a qualifying acquisition.

Our Company is formed by a group of enterprising senior management executives, professionals and entrepreneur who have extensive experience and network in the F&B and related industry with a view to harness their combined resources and contacts to create value for the shareholders of our Company. The members of our Management Team include several senior executives who have established track record and many years of experience in running and managing large regional F&B companies. Drawing on the experience and core competencies of our Management Team, our Company has set its focus on the business of **branded packaged F&B business** within the Processed F&B industry.

Branded packaged F&B products come in many convenient and attractive packaging catering to a wide range of daily consumer needs and are priced differently for the different segments of the market. Typical examples of branded packaged F&B products include fruit/ vegetable juices, cereals, oat meals, biscuits, dairy products, milk, confectionery, chocolates, carbonated soft drinks, sparkling drinks, packaged water, sport/ energy drinks, coffee, tea, herbal tea, soya, yogurt, milk powder, infants formulas, vitaminised/ tonic food drinks and snacks. Many of these F&B products are marketed under renowned global/ regional as well as local brands.

The value chain in F&B business can cover wide range of operating activities starting from the stage of understanding consumer culture, behaviour and needs through market research, the innovation process from ideation to product conception, development and launch, branding and marketing, sales and promotions, right down to manufacturing, distribution and customers services and education.

We have identified the following three (3) key areas in the value chain of branded packaged F&B business as our potential core operational focus:

(i) branding and marketing;
(ii) manufacturing; and
(iii) wholesale distribution.

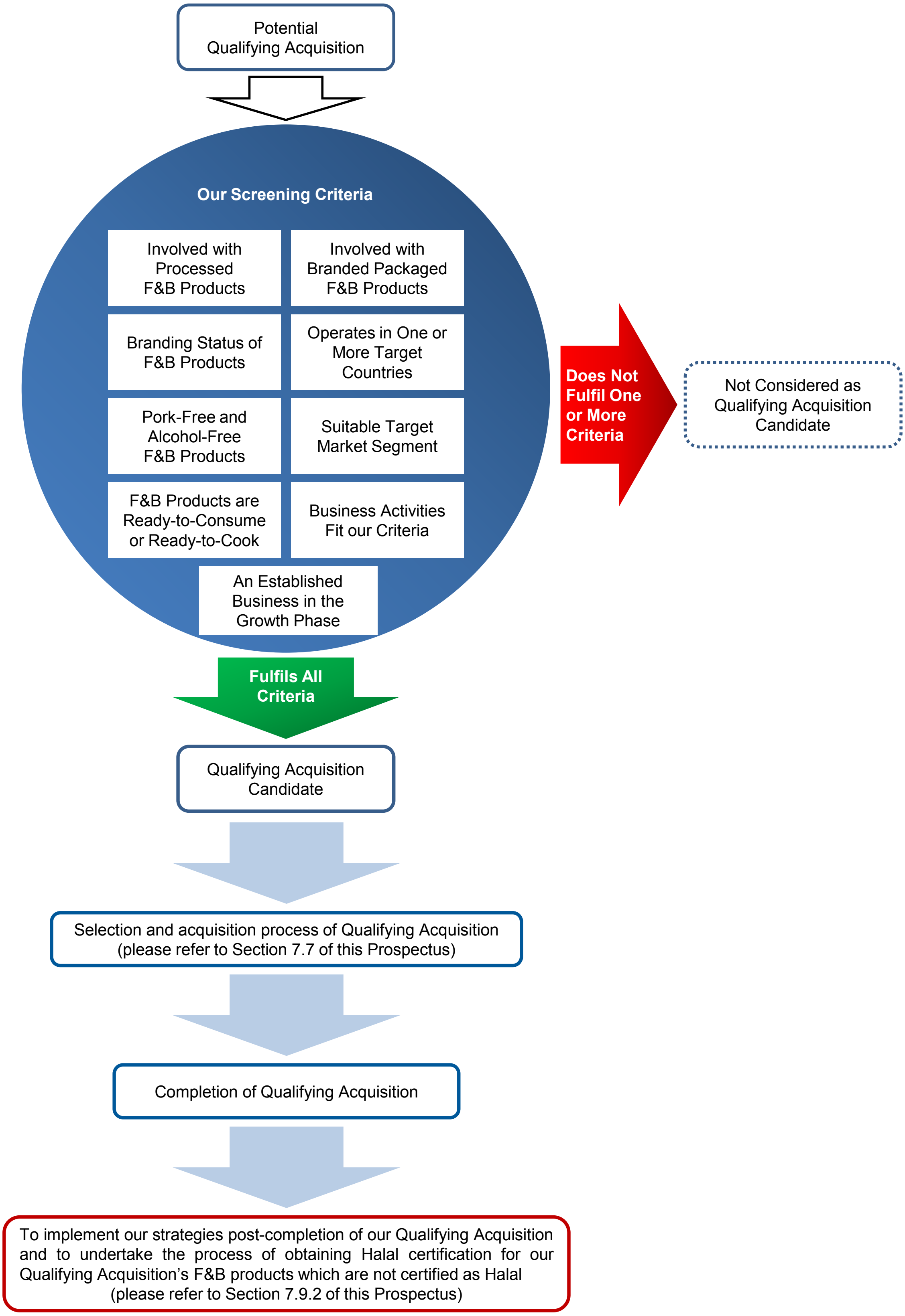
We will consider a Qualifying Acquisition that is involved in branding and marketing only, or in branding and marketing and some combination of the other two (2) key areas. We will also consider a Qualifying Acquisition that is involved in manufacturing and wholesale distribution.

However, we will not consider a Qualifying Acquisition that is solely and exclusively involved in either manufacturing or wholesale distribution. For details of the business activities undertaken by our target Qualifying Acquisition, refer to Section 7.2.4 of this Prospectus.

We intend to acquire at least 51.00% of equity interests in our target Qualifying Acquisition which is at least part way through its growth phase of its business life cycle and have operations in one of our Target Countries.

In addition, our branded packaged F&B products will be pork-free and alcohol-free to enable us to cater to both Muslim and non-Muslim consumer markets.

We will adopt the following criteria in screening potential Qualifying Acquisition candidates:



- **Involved with Processed F&B products**

  Processed F&B products are products that have undergone transformation such that the finished product is significantly different from its original raw form. As such, food that has only been cleaned, cut and/or chilled or frozen, and beverages that have only been filtered are excluded. Likewise, commodity-type products such as agricultural or farm produce, for example rice, wheat, corn, raw sugar, raw cocoa bean, raw coffee bean and farm egg are not regarded as Processed F&B products.

- **Involved with Branded Packaged F&B products**

  Branded packaged F&B products are those that are marketed and sold under a specific brand, and which have been sealed in a container such as bags, boxes, bottles or cartons.

- **Branding status of F&B products**

  The brands used may be developed by our Qualifying Acquisition itself, or that have been licensed from third parties.

- **Operates in one or more Target Countries**

  We intend to acquire Qualifying Acquisition that is based in and/or has operations in one or more of the Target Countries, namely Malaysia, Indonesia, the Philippines, Singapore, Thailand and Vietnam.

- **Pork-free and alcohol-free F&B products**

  Our intention is to acquire Qualifying Acquisition whose F&B products are pork-free and alcohol-free.

- **Suitable target market segment**

  The company has a suitable target market segment if it is primarily consumer focused with a view of catering to both Muslim and non-Muslim markets.

- **F&B products are Ready-to-Consume or Ready-to-Cook**

  Our Qualifying Acquisition's F&B products will be Ready-to-Consume or Ready-to-Cook, which can be consumed or cooked directly from the package with some or no additional preparation.

- **Business activities fit our criteria**

  A company that is involved in one of the following combinations of business activities fits our criteria:

  (i) branding and marketing, manufacturing and wholesale distribution; or

  (ii) branding and marketing, and manufacturing; or

  (iii) manufacturing and wholesale distribution; or

  (iv) branding and marketing; or

  (v) branding and marketing, and wholesale distribution.

Companies that are solely and exclusively involved in either manufacturing or wholesale distribution do not fit our criteria.

- **An established business in the growth phase**

  The company has passed the seed and start-up phases. It possesses a combination, but not necessarily all of the following characteristics:

  (i) it has developed its own brand identity;

  (ii) its manufacturing operations are established;

  (iii) it currently operates with a range of F&B products in place;

  (iv) it may have set up its own distribution network within its local market;

  (v) its products are available in overseas markets usually through third party distributors;

  (vi) it has established market presence;

  (vii) it has track record of profitable operations.

The minimum profitability threshold of our Qualifying Acquisition(s) (attributable to Red Sena) shall be at least RM10 million based on its latest audited PAT over a full financial year.

Our vision is to develop and build our Company into a true regional operator of branded packaged F&B business. While we will pursue an accelerated programme for growth, we will minimise our risk by focusing on our core competencies in branding and marketing, manufacturing and wholesale distribution of branded packaged F&B products.

Our business vision and mission will be executed by our Directors and Management Team who have significant experience in the F&B industry in several ASEAN countries. Collectively, our Directors and Management Team also have extensive experience in undertaking corporate exercises such as M&A and fund raising. Therefore, subsequent to the completion of our Qualifying Acquisition, we shall endeavour to expand and further grow our business and presence through strategic M&A to spur the growth of our Company.

7.2 OUR TARGET QUALIFYING ACQUISITION

7.2.1 Management Team's ability to acquire desired target Qualifying Acquisition

Our Management Team is made up of corporate individuals and entrepreneur, namely Tan Eng Guan, Dato' Tan Ang Meng, Tan Sri Dato' Sri Koh Kin Lip, Ismail Bin Abd Halim, Yoong Kah Yin and Ong Kuee Hwa. Upon our Listing as a SPAC, our Company intends to acquire F&B asset(s) with established market or companies with strong brand names by leveraging on our Management Team's wide network and know-how.

Our CEO, Tan Eng Guan is the key person driving Red Sena and plays the major role in the structuring, overseeing and management of our business model. As the leader of our Management Team, he will be the driving force in Red Sena's pre- and post-Qualifying Acquisition. Being a key member of the management team in Fraser & Neave Holdings Berhad ("**F&N**"), he was involved in the development, implementation and integration of high level policies and strategies in respect of branded packaged F&B business within F&N and its subsidiaries ("**F&N Group**"). As a former CFO of the F&N Group and General Manager of Group Finance of Tan Chong Motor Holdings Berhad, he is also well versed in group financial management and reporting, corporate governance and board processes, strategic, budget and business planning, and risk management. His extensive involvements as key management in the F&N Group contributed to the successful integration of the F&B businesses in the group post acquisition/ collaboration.

Our CSO, Dato' Tan Ang Meng has more than 27 years of experience in managing F&B businesses in the South East Asia region including ten (10) years as the CEO of the F&N Group. As the highest ranking executive in the F&N Group, he was mandated for the overall operational and resources, planning and management of the F&N Group. He was also responsible in leading the management in development, implementation and integration of strategies including various acquisitions and investments made by the F&N Group in the ASEAN region. He has extensive regional network as well as management and operational know-how in the F&B industry and other industries. His network and experience will be essential in formulating the strategic direction for our Company.

The other members of our Management Team consist of:

Management Team	**Designation**	**Attributes**
Tan Sri Dato' Sri Koh Kin Lip	Corporate Development Director	An entrepreneur with more than 30 years in various industries and businesses including timber, oil palm plantation and F&B, as well as experience in M&As and business joint-ventures
Ismail Bin Abd Halim	CFO	A Chartered Accountant with experience in manufacturing and marketing of F&B industry for the past ten (10) years, including his strategic management role in Khong Guan Enterprise Sdn Bhd
Yoong Kah Yin	Business Development Director	A professional with 29 years of experience in finance and banking industry, skills in team management and has broad network with business entrepreneurs
Ong Kuee Hwa	Legal and Corporate Affairs Director	A professional with 30 years of experience in corporate advisory and legal services with various public listed corporations

Please refer to Sections 8.1.2 and 8.2.1 of this Prospectus for the profiles of our Management Team.

With the combination of F&B experience, entrepreneurial and professional management experience, our Management Team is capable of seeking out suitable Qualifying Acquisition and subsequently operates Red Sena as an F&B company.

In line with our focus on three (3) key areas in the value chain of branded packaged F&B business, namely branding and marketing, manufacturing and wholesale distribution, the details and characteristics of our target Qualifying Acquisition are explained in the remaining of this section.

7.2.2 Target product characteristics

We intend to focus on Qualifying Acquisition with the following characteristics:

(i) Branded F&B products;

(ii) Packaged F&B products;

(iii) Processed F&B products;

(iv) Ready-to-Consume or Ready-to-Cook F&B products; and

(v) Pork-free and alcohol-free F&B products.

We are well positioned to address opportunities in the F&B industry for products with the characteristics listed above as most of our Directors and Management Team have direct working experience dealing with these types of F&B products.

Our Directors' and Management Team's direct working experience and accumulated knowledge dealing directly with F&B products that are branded, packaged, processed, Ready-to-Consume or Ready-to-Cook, and pork-free and alcohol-free, coupled with their relationships with operators in the F&B industry place us in a good position to address opportunities in the F&B industry.

(i) <u>Branded F&B products</u>

Branded F&B products are those that are marketed and sold under a specific brand. F&B products that are targeted at end consumers are commonly branded. Brands may be in the form of, among others, names, terms, signs, symbols, logos, designs or a combination of these.

Some of the objectives and benefits of branding F&B products include:

(a) the use of brands help end users to differentiate between the various similar F&B products in the market;

(b) creates an expectation in end users when they consume F&B products of a particular brand as they may associate the brand with certain values;

(c) reduces an end user's uncertainty when trying new F&B product categories, as they may purchase F&B products that are sold under a brand that is familiar to them; and

(d) end users travelling outside of their home country may purchase F&B products from brands that are familiar to them so as to reduce uncertainty.

(ii) <u>Packaged F&B products</u>

Packaged F&B products are those that have been sealed in container such as bags, cans, boxes, bottles or cartons. Some of the practical reasons for packaging F&B products include:

(a) provides convenience to end users;

(b) to maintain its shelf life and freshness;

(c) to create a physical barrier and protection against contamination and damage; and

(d) to create packaging that is easy to handle.

F&B products that are targeted at consumer market are typically packaged in small individual portions to cater for individual or household consumption. The benefits of Packaged F&B products include:

(a) provides medium for printing of promotional graphics and text and enhance the products' visual appeal with attractive packaging;

(b) reduces the risk of malicious attacks against consumers and enhance consumer safety through the use of tamper evident packaging;

(c) facilitate transportation and distribution to end users in order to maintain shelf life, freshness by creating a physical barrier against contamination and damage; and

(d) increase the shelf life which can minimise food wastage.

(iii) <u>Processed F&B products</u>

Processed F&B products are those that have undergone transformation such that the finished product is significantly different from its original raw form. F&B products are typically processed to achieve one (1) or more of the following objectives:

(a) to extend its shelf life;

(b) destroy undesirable micro-organisms;

(c) change its flavour, texture, aroma, colour and/or form;

(d) to make food more convenient to consume (reduce preparation time for the end users and increase portability); and

(e) to restore and/or improve its nutritional value.

In this respect, the following are usually not regarded as Processed F&B products:

(a) food that has only been cleaned, cut and/or chilled or frozen such as chilled or frozen meat, bagged salad or cut fruits and uncooked rice; and

(b) beverages that have only been filtered such as fruit juice that has not been pasteurised, concentrated, flavoured or otherwise processed.

In general, the benefits of Processed F&B products include:

(a) easy to transport and distribute to consumers which are dispersed over a large population area and typically do not require specialised logistics such as temperature controlled supply chain (also known as "cold chain") with the exception to fresh and frozen Processed F&B products;

(b) reduce food wastage as they can be stored for longer period of time, ranging from months to years if stored properly; and

(c) enable effective quality control measures to achieve consistency in terms of their products' flavour, texture, aroma, colour and form that meet their product specification and consumers' expectation.

(iv) Ready-to-Consume or Ready-to-Cook F&B products

Ready-to-Consume or Ready-to-Cook F&B products are those that can be consumed or cooked directly from the package with some or no additional preparation which would benefit the consumers as these reduce the preparation time. Examples of Ready-to-Consume and Ready-to-Cook Processed F&B products include:

Ready-to-Consume	Ready-to-Cook:
- Biscuits and cakes	- Processed meat and seafood
- Cereals	- Frozen and chilled processed food
- Bread	- Sauces and dressings
- Snacks and confectionery	- Soups and extracts
- Canned food	- Spices and condiments
- Hot drinks	- Pasta and noodles
- Dairy products	
- Spreads and jams	
- Ice cream	
- Fresh and powdered milk	
- Condensed and evaporated milk	
- Carbonated drinks	
- Fruit juices and Asian drinks	
- Isotonic and sports drinks	

(v) Pork-free and alcohol-free F&B products

In addition, our target Qualifying Acquisition's F&B products will be pork-free and alcohol-free to enable us to cater to both Muslim and non-Muslim markets. If the secured Qualifying Acquisition's F&B products are not certified as Halal, we will work to obtain Halal certification for these F&B products.

7.2.3 Target market segments

Our target Qualifying Acquisition will focus on consumer market which include both Muslim and non-Muslim markets.

(i) Consumer market

Our target Qualifying Acquisition will be a business that operates within the consumer market intended for individual or household consumption. This is in contrast to targeting the trade market for food service operators such as restaurants, cafes, hawker stalls, institutions, caterers, central kitchens and other F&B manufacturers whereby F&B products are packaged in large portions with minimum emphasis on branding and marketing.

(ii) Muslim and non-Muslim markets

Our target Qualifying Acquisition will be focused on F&B products that are pork-free and alcohol-free. If our Qualifying Acquisition's F&B products are not certified as Halal, we will undertake the process of obtaining Halal certification for these F&B products.

The potential to cater to the Muslim market can enlarge our target market segments to countries with large Muslim populations. In Asia, the four (4) countries with the largest Muslim populations are Indonesia, Pakistan, India and Bangladesh, with a combined Muslim population of 700 million. As of early 2014, there were approximately 1.8 billion Muslims, accounting for approximately 23% of the world population.

(Source: IMR Report)

7.2.4 Target Qualifying Acquisition's business activities

We have identified the following three (3) key areas in the value chain of the branded packaged F&B business as our core operational focus for our Qualifying Acquisition:

(i) branding and marketing;
(ii) manufacturing; and
(iii) wholesale distribution.

We will consider Qualifying Acquisition that is involved in branding and marketing only, or in branding and marketing and some combination of the other two (2) key areas. However, we will not consider a Qualifying Acquisition that is solely and exclusively involved in either manufacturing or wholesale distribution, as the value creation associated with branding and marketing activities are generally higher than those associated with solely manufacturing and solely distribution. The details of the business activities undertaken by our target Qualifying Acquisition have been tabulated at the end of this section.

(i) <u>Branding and Marketing</u>

Branding involves the creation, development and management of brands. Branding is a critical function for F&B products that are targeted at the consumer market as it is a key factor in sustaining, growing the business and providing the platform for expansion into other countries.

Branding is also important for product extension where a highly recognised brand may be used for new product categories to promote faster market acceptance. A strong brand name may also command premium pricing compared to less prominent brands.

Marketing refers to the positioning of products in its target market and encompasses pricing strategy, selection and management of distribution channels, advertising and promotions, and determining product portfolio. Marketing is commonly undertaken by brand owners, but in some cases it may also be undertaken by wholesale distributors.

Our target Qualifying Acquisition could be a brand owner that carries out marketing activities to promote its own products. Brand building will provide us with the platform to duplicate our business model in other countries, as we can use similar marketing strategies to introduce these same brands to other countries. Our intention is to propagate our branded packaged F&B products throughout Asia and other regions.

Our target Qualifying Acquisition could also be a licence holder of one or more third party F&B product brands. A licence holder has the right to use third party brand for its F&B products which it may manufacture itself or from a contract manufacturer.

(ii) Manufacturing

F&B manufacturing involves the transformation of raw food and other ingredients to finished F&B products.

Our target Qualifying Acquisition could be a manufacturer of branded packaged F&B products which are processed, Ready-to-Consume or Ready-to-Cook targeted at consumer market.

Our target Qualifying Acquisition may manufacture F&B products of its own brand or manufacture F&B products as a licence holder of third party brands. If our target Qualifying Acquisition manufactures its own brand of F&B products or manufactures F&B products as a licence holder of third party brands, we may also manufacture F&B products for third party brand owners on a contract manufacturing basis. This may provide a steady income flow and may increase our in-house manufacturing activity to achieve economies of scale to improve competitiveness in the procurement and manufacturing activities.

However, we will not consider acquiring a Qualifying Acquisition that is solely involved in contract manufacturing of F&B products for third party brands.

(iii) Wholesale distribution

Wholesale distribution involves the distribution of products to intermediaries such as retailers and other wholesalers.

Our target Qualifying Acquisition could be an F&B manufacturer with its own distribution network. Alternatively, our target Qualifying Acquisition could also engage a third party distributor to fulfil all or part of its distribution requirements. The engagement of third party distributors by F&B manufacturers is not unusual, particularly to distribute products to countries outside of its operational base or areas not covered by their own distribution network.

If our target Qualifying Acquisition has existing distribution network to distribute the products, we may also utilise this to provide distribution services to third party brand owners or principals. This will allow us to utilise our Qualifying Acquisition's existing distribution network to earn incremental profit.

Nevertheless, we will not consider acquiring a Qualifying Acquisition that is solely involved in wholesale distribution.

Summary of target Qualifying Acquisition activities

The combinations of business activities that we may or may not consider for our target Qualifying Acquisition are summarised in the following table:

Branding and Marketing	Manufacturing	Wholesale distribution	Target Qualifying Acquisition	Description
√	√	√	Yes	The company: • has its own brands or licence to use third party brands [(1)]; • has its own manufacturing plant; and • undertakes its own distribution. In addition to the above, the company may or may not: • manufacture for third parties as a contract manufacturer; and/or • distribute third party products.
√	√	X	Yes	The company: • has its own brands or licence to use third party brands [(1)]; and • has its own manufacturing plant. It does not undertake its own distribution. In addition to the above, the company may or may not manufacture for third parties as a contract manufacturer.

Branding and Marketing	Manufacturing	Wholesale distribution	Target Qualifying Acquisition	Description
X	√	√	Yes	The company: • has its own manufacturing plant; and • undertakes its own distribution. It does not own any brands and is not licensed to use third party brands [(1)]. The company generally acts as a third party contract manufacturer and distributor. In addition to the above, the company may or may not: • be engaged by third party brand owners or brand licence holders to manufacture products on their behalf; or • distribute third party products.
√	X	X	Yes	The company has its own brand or licence to use third party brands [(1)]. It does not: • have any manufacturing plant; and • undertake its own distribution. In this situation, the company will be using a third party contract manufacturer and distributor.

Branding and Marketing	Manufacturing	Wholesale distribution	Target Qualifying Acquisition	Description
√	X	√	Yes	The company: • has its own brands or licence to use third party brands [(1)]; and • undertakes its own distribution. It does not have any manufacturing plant. In addition to the above, the company may or may not distribute third party products. In this situation, the company will be using a third party contract manufacturer.
X	√	X	No	The company is purely a contract manufacturer and has its own manufacturing plant. It does not: • own any brands and licence to use third party brands [(1)]; and • undertake its own distribution. In addition to the above, the company may or may not manufacture for third parties as a contract manufacturer.
X	X	√	No	The company is purely a distribution company. It does not own any brands or licence to use third party brands [(1)]. It does not have any manufacturing plant.

Note:

(1) Brand owners hold the proprietary rights in relation to the brand name through trademark registration, while licensing refers to the permission granted to an external party to manufacture and distribute the said branded product for a defined area. The brand owners continue to retain all intellectual properties while the licensee pays a royalty.

We do not attach any priority or ranking in respect of the above combinations of business activities that we may consider for our target Qualifying Acquisition, i.e. all the different combinations of business activities indicated with a 'yes' in the table above are considered equally acceptable.

7.2.5 Target Countries

We intend to acquire Qualifying Acquisition that is based in and/or has operations in one or more of the following countries:

(i) Malaysia;

(ii) Indonesia;

(iii) the Philippines;

(iv) Singapore;

(v) Thailand; and

(vi) Vietnam.

We have selected the above countries because of their favourable socio-economic characteristics and our Directors and Management Team have business experiences in these countries.

The countries listed above share a combination of the following characteristics, which create a conducive environment with growth opportunities for our potential Qualifying Acquisition operating in the F&B industry:

(i) **Healthy growth in real GDP**: Growth in real GDP provides an indication of the strength and robustness of a country's economy. A growing economy represented by growing real GDP would increase the economic well-being of the population supported by more jobs in the market, increase in household income and higher consumer confidence to encourage increase in purchases of F&B products.

(ii) **High GDP per capita**: GDP per capita indicates the affluence of the population. A high GDP per capita means affluent consumers that will have high spending power to buy our F&B products.

(iii) **Large population**: A large population base would represent a large consumer market to purchase F&B products. Among the Target Countries, Thailand, the Philippines, Indonesia and Vietnam have population sizes significantly larger than Malaysia's population. Indonesia is the world's fourth most populous country, while the populations of the Philippines and Vietnam are each approximately three (3) times larger than Malaysia's population.

The real GDP growth, CAGR of real GDP growth, GDP per capita and population size of the Target Countries are summarised in the table below:

	Real GDP growth (2014)	**CAGR of real GDP growth (2010 – 2014)**	**GDP per capita (2014)**	**Population (2014)**
	(%)	**(%)**	**(USD)**	**(million)**
Singapore	2.9	4.2	83,066	5.5
Malaysia	6.0	5.4	11,049	30.3
Thailand	0.9	2.9	5,896	68.7
The Philippines	6.1	5.9	2,862	99.4
Indonesia	5.0	5.7	3,524	252.2
Vietnam	6.0	5.7	2,051	90.6

We have selected the ASEAN-5 countries (comprising Malaysia, Thailand, the Philippines, Indonesia and Vietnam) primarily due to their relatively good growth in real GDP over the last five years (collectively, ASEAN-5's real GDP growth rates were: 2010 = 6.9%, 2011 = 4.7%; 2012 = 6.2%; 2013 = 5.1%; 2014 = 4.6%) compared to more developed economies like the US (real GDP growth: 2010 = 2.5%, 2011 = 1.6%; 2012 = 2.2%; 2013 = 1.5%; 2014 = 2.4%) and European Union (real GDP growth: 2010 = 2.1%, 2011 = 1.8%; 2012 = -0.4%; 2013 = 0.2%; 2014 = 1.5%).

In addition, the population of Thailand, the Philippines, Indonesia and Vietnam are relatively large as depicted in the table above. A large population would provide the consumer base for sustaining and growing the business of our Qualifying Acquisition. Large population would compensate for low GDP per capita in countries such as the Philippines, Indonesia and Vietnam.

Singapore was selected as one of our Target Countries for our Qualifying Acquisition despite its small population base primarily due to its relatively high GDP per capita. Singapore's GDP per capita in 2014 was USD83,066, which was significantly higher than the ASEAN-5, and also higher compared to more developed economies such as the United States (USD54,597) and the European Union average (USD36,645).

(Source: IMR Report)

7.3 RATIONALE FOR SELECTING THE PROCESSED F&B INDUSTRY

7.3.1 Rationale for selection

We have selected the branded packaged F&B business within the Processed F&B industry as our business focus due to the following:

(i) our Directors and Management Team's experience and expertise are in branding and marketing, manufacturing and wholesale distribution of the Processed F&B industry.

In particular, our CEO, CSO and CFO have in the past, held senior management positions in or managed F&B organisations whose operating focus are in the areas similar to that of our Company, i.e. branding and marketing, manufacturing and wholesale distribution.

In their previous positions, our CEO and CSO were responsible for the development and implementation of strategic plans throughout various business units. These were carried out by way of regular management reviews where the performance of all the core operating areas are evaluated and action plans charted for further improvement. The business strategies implemented by our CEO and CSO in the past include, amongst others, entering into strategic partnership agreements, construction of new as well as upgrading of existing manufacturing facilities, obtaining Halal certification for F&B products, and streamlining of manufacturing processes; and

(ii) generally positive outlook of the contributing factors for Emerging and Developing Asia, ASEAN-5 and Singapore should contribute towards supporting the prospects and outlook for the Processed F&B industry in ASEAN countries.

7.3.2 Industry prospects and outlook

In general, the prospects and outlook of the Processed F&B industry are dependent on factors that include population demographics, urbanisation, general economic conditions, consumer affluence, food consumption and inflation.

Please refer to Section 13 of the IMR Report for further details on industry prospects and outlook of the Processed F&B industry.

(i) Population demographics

While forecast population growth for Emerging and Developing Asia (approximately 1.0% per year between 2015 and 2019) is slightly lower compared to ASEAN-5 (approximately 1.3% per year over the same period), the large population of Emerging and Developing Asia, forecasted at approximately 3.7 billion in 2019, would serve as a large potential market for Processed F&B products.

The growing population in Emerging and Developing Asia and ASEAN-5 countries will augur well for the prospects of the Processed F&B industry in these two (2) regions.

Singapore's population is forecasted to grow at a CAGR of 0.6% between 2015 and 2019, which is lower compared to ASEAN-5 over the same period. Although Singapore's population is relatively small, the prospects of the Processed F&B industry in the country are supported by the country's high GDP per capita coupled with forecasts that real GDP and GDP per capita will continue to grow, while inflation is forecast to remain at a relatively low level.

(Source: IMR Report)

(ii) Urbanisation

Singapore is fully urbanised with 100.0% of the population currently residing in urban areas. Moving forward, the percentage of the population in each of the other Target Countries (namely Malaysia, Indonesia, the Philippines, Thailand and Vietnam) residing in urban areas are projected to increase. By 2050, more than half of the total population in each of the other Target Countries is expected to reside in urban areas.

Recent data for Malaysia, Indonesia and Vietnam indicates that the average monthly expenditure on food of urban households and population generally exceed that of rural households by between 2% to 63%. As such, the projected continuing increase in the percentage of the population residing in urban areas of the Target Countries will likely benefit operators in the Processed F&B industry serving these countries.

(Source: IMR Report)

(iii) General economic conditions

Moving forward, Emerging and Developing Asia and ASEAN-5 are expected to continue with their economic growth with real GDP forecasted to grow at a CAGR of 6.4% and 5.3% respectively between 2015 and 2019. The forecasted sustained real GDP growth would contribute favourably to the prospects of the Processed F&B industry in Emerging and Developing Asia and ASEAN-5 countries. Singapore's real GDP is forecasted to grow at a CAGR of 3.1% between 2015 and 2019. Although this is slightly lower than the forecasted real GDP growth rate for Emerging and Developing Asia and ASEAN-5 countries, Singapore is a unique opportunity for consumer based businesses due to its small physical size and population, but relatively large GDP and GDP per capita.

A comparison of the growth in consumption expenditure on food with real GDP growth during the same year for Malaysia, Indonesia, the Philippines, Singapore and Thailand between 2011 and 2014 suggests that in most of cases in the countries covered, the growth rate for consumption expenditure on food was higher than the real GDP growth rate for the same year.

The observations suggests that the forecast sustained growth in real GDP for Emerging and Developing Asia and ASEAN-5 may be reinforced by consumption on food increasing at a higher rate than real GDP growth.

(Source: IMR Report)

(iv) Consumer affluence

GDP per capita based on PPP is forecasted to continue to grow at between 6.5% and to 7.8% per year between 2015 and 2019 in Emerging and Developing Asia, at between 4.3% and 6.4% per year over the same period in ASEAN-5, and at between 2.2% and 4.8% for Singapore. Although Singapore's forecasted GDP per capita based on PPP growth rate is slightly lower compared to Emerging and Developing Asia, and the ASEAN-5 countries, Singapore's GDP per capita is higher compared to the other Target Countries. In 2014 Singapore's GDP per capita measured at current prices was USD83,066, while the GDP per capita measured at current prices of Malaysia, the next highest among the Target Countries, was USD11,049. Continuing growth in GDP per capita, which is a measure of consumer affluence, would contribute favourably to the prospects of the Processed F&B industry in these countries.

(Source: IMR Report)

(v) Food consumption growth

Between 2015 and 2050, food consumption growth rate in South Asia and East Asia, which includes ASEAN countries (forecasted at between 5.5% and 8.9% per year between 2015 and 2050 for South Asia, and 2.9% to 5.3% per year over the same period for East Asia), is forecasted to exceed the forecast growth rate for Developed Countries (between 0.9% and 1.7% per year during the same period). The continuing growth in per capita food consumption in South Asia and East Asia would augur well for the prospects of the Processed F&B industry, including those in ASEAN countries.

(Source: IMR Report)

(vi) Inflation

A high inflation rate has a dampening effect on consumption of consumer goods including Processed F&B products, as it indicates that the prices of consumer goods are increasing. The dampening effect of inflation is more pronounced in countries where wages are increasing at a lower rate than inflation.

While Emerging and Developing Asia and ASEAN-5 are forecasted to see better growth in many areas compared to the US and the European Union, Emerging and Developing Asia and ASEAN-5's relatively higher inflation rates (forecasted at between 3.0% and 3.7% per year between 2015 and 2019 for Emerging and Developing Asia, and 3.7% to 4.0% per year over the same period for ASEAN-5) may negate some of the benefits of the other factors discussed here.

Relatively low inflation rates are forecasted for Singapore during this period, with inflation forecasted at between 0.0% and 1.9% per year from 2015 to 2019.

However, real GDP and GDP per capita growth for Emerging and Developing Asia, and ASEAN-5 and Singapore are forecasted to outpace the projected inflation rates between 2015 and 2019 for these regions. Projected economic growth may provide confidence to businesses and consumers to overcome inflationary pressures.

(Source: IMR Report)

Key indicators for Target Countries

Forecast CAGR: 2015 – 2019 (%)

	Malaysia	Indonesia	The Philippines	Singapore	Thailand	Vietnam
Real GDP	4.9	5.6	6.5	3.1	3.4	6.1
Population	1.7	1.3	2.0	0.6	0.1	1.0
GDP per capita	9.8	4.7	8.8	4.3	4.8	6.4

The key indicators comprising real GDP, population size and GDP per capita for the Target Countries are forecasted to continue to show growth, which may support the growth of the Processed F&B industry.

(Source: IMR Report)

(vii) Conclusion

In general, a positive outlook for the population demographics, general economic conditions, consumer affluence and food consumption for Emerging and Developing Asia, ASEAN-5 and Singapore should contribute to a growing demand for Processed F&B to support a favourable prognosis of the Processed F&B industry in ASEAN countries.

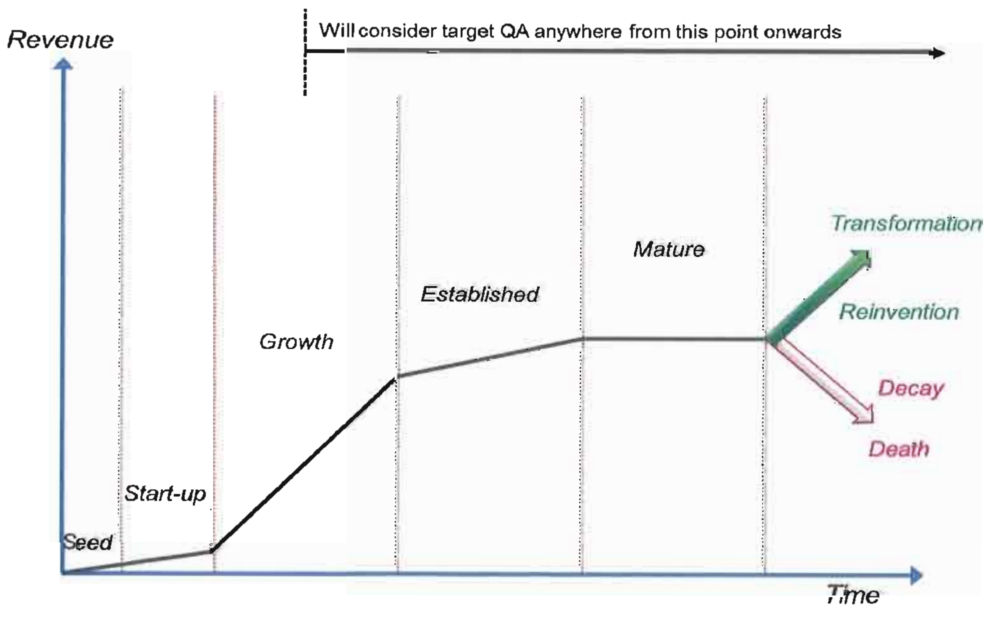
If Emerging and Developing Asia and ASEAN-5 countries and Singapore are able to effectively manage inflationary pressure, the Processed F&B industry would be able to benefit from the various favourable economic and social demographic factors.

(Source: IMR Report)

7.4 TARGET LIFE CYCLE CHARACTERISTICS OF OUR QUALIFYING ACQUISITION

7.4.1 Typical business life-cycle

Business life-cycle



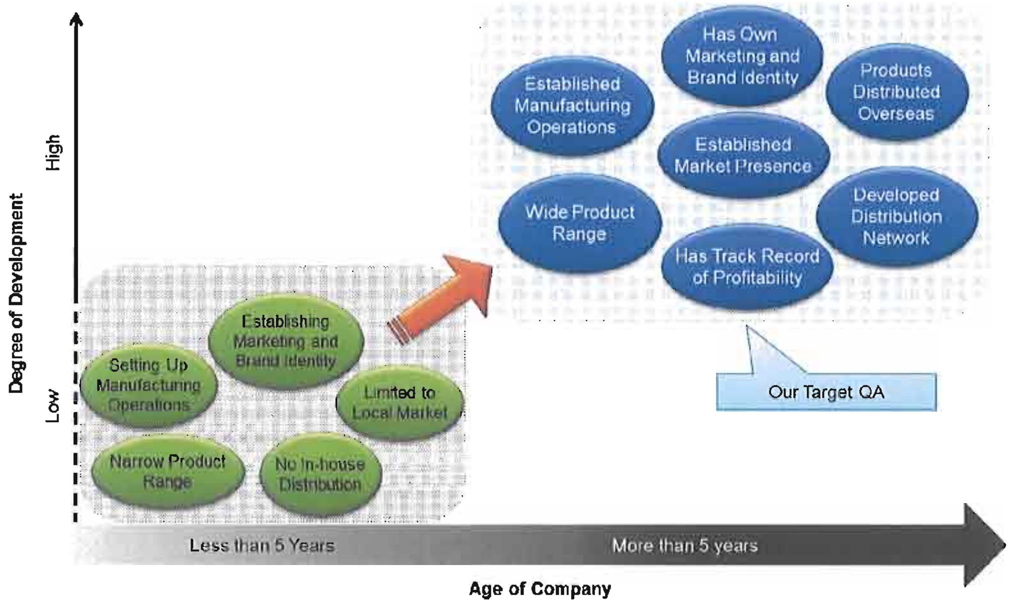
A business typically goes through a life-cycle where it begins as a start-up that experiences rapid growth followed by a period of maturity and stability. At this point, it may face the risk of decay and death if it maintains status quo while transformation and reinvention may result in renewed growth and development.

While the time required to pass through each stage varies, the seed and start-up phases typically take up to three (3) or four (4) years. Businesses that are successfully developed will enter the growth phase where they experience high growth for approximately five (5) or six (6) years. Growth usually starts to taper off as the business becomes more established. The business eventually experiences a period of low growth or stagnation as it becomes mature.

If a mature business maintains status quo to its business position, it is likely to deteriorate and may eventually be overtaken and made irrelevant by competitors. However, if a business continuously reinvents or transforms itself, it can repeat the growth and maturity cycles and may ultimately become a global F&B conglomerate.

We intend to target Qualifying Acquisition that is at least part way through its growth phase of its business life cycle. Such a Qualifying Acquisition would have at least gone through the difficult initial start-up phase and would have established some track record in the market.

7.4.2 Target life-cycle of our Qualifying Acquisition



An early stage business would have an operating history of less than five (5) years in its current position in the Processed F&B industry. It would also possess a combination of the following characteristics:

(i) in the process of developing its own brand identity;

(ii) setting up its manufacturing operations;

(iii) limited range of F&B products; and

(iv) usually does not have its own distribution network and relies on third parties to distribute its products.

A more established business would have an operating history of at least five (5) years in its current position in the Processed F&B industry. As Red Sena would acquire Qualifying Acquisition(s) with an established business in the growth phase, it would possess a combination of the following characteristics:

(i) in terms of brands, it has either:
- its own established brand(s);
- licence to use third party established brand(s); or
- secured distribution rights of established brand(s) from third party brand owner(s);

(ii) it has met the minimum profitability threshold of at least RM10 million based on its latest audited PAT over a full financial year; and

(iii) it has an established market presence.

In addition, it may also possess one (1) or more of the following characteristics:

(i) its manufacturing operations are established;

(ii) it has a wide range of F&B products;

(iii) it may have set up its own distribution network within its local market; and

(iv) its products are available in overseas markets usually through third party distributors.

We intend to acquire Qualifying Acquisition that is at least part way through its growth phase of its business life cycle. We are of the opinion that acquiring such a Qualifying Acquisition is more suitable as less time will be required to implement a growth strategy. Moreover, our Qualifying Acquisition would have a sustainable business in place in terms of product and brand range as well as its branding and marketing, manufacturing, and/or distribution operations.

With our expertise and experience, we will formulate and implement a growth strategy that will enhance our Qualifying Acquisition's business and value. The growth strategy may include, among others, enhancing branding and marketing, manufacturing and distribution of the existing Qualifying Acquisition, practising disciplined financial management and embarking on geographical expansion. We may also make strategic acquisitions within our core competencies.

Please refer to Section 7.9 of this Prospectus for further information on our potential post-acquisition growth strategies.

7.4.3 Potential risks and rewards

The potential risks and rewards of acquiring a Qualifying Acquisition that is in the seed or start-up phase may be different compared to a Qualifying Acquisition that is in the growth or established phase.

It should be noted that the specific risks and rewards of acquiring any individual Qualifying Acquisition is dependent on a range of factors, including:

(i) product range;

(ii) brand strength;

(iii) financial health;

(iv) gearing level;

(v) quality of management and technical staff;

(vi) condition of its machinery and equipment;

(vii) geographic coverage of its products; and

(viii) strength and performance of its distribution channel partners.

Seed or start-up phase

The potential risks of business failure for a seed or start-up phase Qualifying Acquisition are higher compared to a growth or established phase Qualifying Acquisition due to:

(i) some aspects of our Qualifying Acquisition's operations, such as branding and marketing, manufacturing, and/or distribution operations may not be well established and may require further investment or development;

(ii) our Qualifying Acquisition's product range may be narrow, thus limiting its revenue and growth potential;

(iii) our Qualifying Acquisition's market share may be small and require further resources to increase its market share;

(iv) its branding and marketing may not be able to withstand competitive pressure, especially from more established competitors in the sectors which it operates; and

(v) it may be difficult to evaluate the potential of our Qualifying Acquisition due to its limited track record.

A significant amount of time may be required to develop a seed or start-up phase Qualifying Acquisition to the point where its business operations are sustainable and can provide a stable platform for growth and expansion.

In addition, additional capital investment may be required to develop our Qualifying Acquisition into a sustainable business, for example:

(i) to set up or expand its branding and marketing, manufacturing, and/or distribution facilities and operations;

(ii) to carry out research and development to develop or expand its product range;

(iii) to increase its market share; and

(iv) to expand its market to other countries.

However, as a seed or start-up phase Qualifying Acquisition has greater potential for business growth, lower acquisition price and its potential rewards may be higher compared to purchasing a growth or established phase Qualifying Acquisition.

Growth or established phase

The potential risks of purchasing a growth or established phase Qualifying Acquisition are lower compared to purchasing a seed or start-up phase Qualifying Acquisition as:

(i) a growth or established phase Qualifying Acquisition has an established track record that can be evaluated and developed operations, product range and markets; and

(ii) our Qualifying Acquisition's product range is likely to include products that have been accepted by its market.

Additional capital investment may be required to develop or complement our Qualifying Acquisition's existing capabilities, for example to expand its operations and facilities, or to expand overseas.

The potential rewards of a growth or established phase Qualifying Acquisition may be lower as its business growth potential is likely to be lower compared to a seed or start-up phase Qualifying Acquisition.

7.5 INDICATIVE SIZE OF OUR QUALIFYING ACQUISITION

As per the Equity Guidelines, the minimum amount to be utilised from the total IPO proceeds to acquire a Qualifying Acquisition is 80.00% of the aggregate amount in our Cash Trust Account.

Assuming 80.00% of the aggregate amount in our Cash Trust Account is used for acquiring a Qualifying Acquisition, the minimum acquisition value of our Qualifying Acquisition is RM294,400,000 based on our total IPO proceeds of RM400,000,000.

In the event that the acquisition value of our Qualifying Acquisition exceeds the amount held in our Cash Trust Account, our Company has the option of obtaining additional funds by way of a rights issue or debt financing for the purpose of acquiring Qualifying Acquisition, as permissible under the Equity Guidelines.

7.6 EQUITY OWNERSHIP OF OUR QUALIFYING ACQUISTION

We intend to acquire at least 51.00% of equity interests in our target Qualifying Acquisition in Processed F&B industry. This will allow us to have majority ownership and management control over the operations as well as over the strategic and financial decisions of the asset. The size of our Qualifying Acquisition will depend on, among others, the acquisition opportunities available at that relevant point of time.

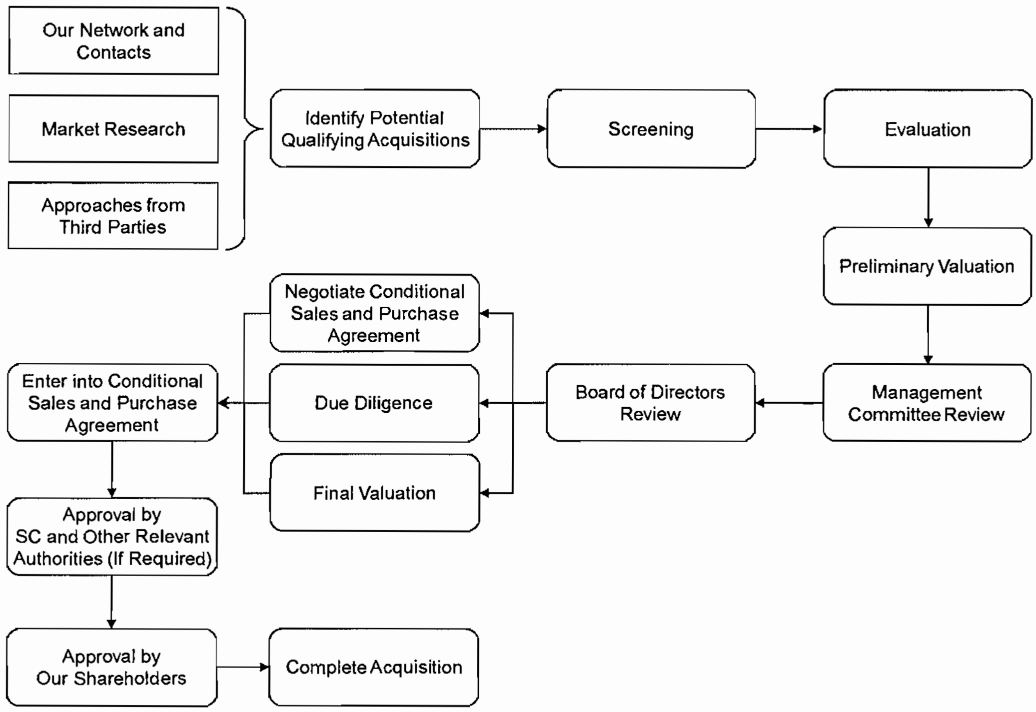
7.7 SELECTION AND ACQUISITION PROCESS OF OUR QUALIFYING ACQUISITION

7.7.1 Overview

To date, we have not identified, nor are we in discussion or negotiation with any specific companies that may be regarded as a potential Qualifying Acquisition.

We intend to identify potential Qualifying Acquisition and carry out the necessary screening, evaluation, negotiations and due diligence upon the completion of the Listing of our Company through our Management Committee.

The following diagram summarises our indicative selection and acquisition process for potential Qualifying Acquisition:



7.7.2 Identify potential Qualifying Acquisitions

A pool of potential Qualifying Acquisitions is identified through a number of sources, including:

(i) network and contacts of our Management Team and Directors in the F&B industry;

(ii) market research in the Target Countries; and

(iii) direct approaches from third parties who are aware that we are searching for potential Qualifying Acquisition candidates.

Our Management Team and Directors have developed a broad network and extensive contacts within the F&B industry in our Target Countries through their extensive professional experience. This will provide us with an understanding of the Target Countries' environment, potential growth areas as well as an awareness of possible risks and links to companies that may be our potential Qualifying Acquisition candidates.

We intend to carry out market research in the Target Countries to facilitate identification of potential Qualifying Acquisition candidates. Market research can complement our experience and knowledge by providing us with relevant local information and contacts, particularly in countries and sub-sectors that we have limited knowledge or contacts as there are many different markets and product specialisations within the sub-sectors in the F&B industry.

We may also receive direct approaches from third-parties providing information on potential Qualifying Acquisition candidates operating in the F&B industry in the Target Countries. These third parties may include shareholders of the companies themselves, professionals or other parties.

The types of companies that may be in our pool of potential Qualifying Acquisition candidates may include, but are not limited to, the following:

(i) family-owned company that is looking to divest for succession or estate planning;

(ii) privately owned company that requires financial and key management resources for expansion;

(iii) multi-national company or a conglomerate that is looking to divest its subsidiary operating in the Target Countries or product segment for one (1) or more of the following reasons;

(iv) divestment from a particular country or a product segment;

(v) the subsidiary's operations are no longer core to its overall strategy;

(vi) the subsidiary is under-performing;

(vii) it needs to raise funds; and

(viii) an under-performing public listed company.

Notwithstanding the above, we may include a company that does not possess any of the characteristics listed above in our pool of potential Qualifying Acquisition candidates provided that the company fulfils the criteria in relation to the target product characteristics, market segments, business activities and countries as listed in Section 7.2 of this Prospectus.

7.7.3 Screening

The potential Qualifying Acquisition candidates identified in the pool are screened based on the criteria described in Sections 7.2 and 7.4 of this Prospectus. Thereafter, we will focus and optimise the use of our resources to carry out more detailed evaluation.

We will be using the following screening criteria to assess potential Qualifying Acquisition candidates which may include, among others:

Screening criteria	Consideration
Target market segment	Companies that are primarily consumer focused with a view of catering to both Muslim and non-Muslim markets
Target product characteristics	F&B products that are mainly processed, packaged, branded, Ready-to-Consume or Ready-to-Cook, and/or do not contain pork or alcohol
Branding status of F&B products	Companies whose F&B products are sold under a brand. This includes companies that have developed their own brand identity and sell F&B products under their own brands, and companies that licence brands from third parties

Screening criteria	Consideration
Business activities	Companies that are involved in the branding and marketing, manufacturing and/or wholesale distribution segments
Geographic location	Companies that are based and/or have operations in one (1) or more of the Target Countries
Position in the business life-cycle	Companies that are at least part way through the growth phase of its business life-cycle

We intend to carry out the screening process with our internal resources as we expect the data and information required to be readily available in the public domain. However, if the number of companies in the initial pool is extensive or the available information and data are limited, we may engage third party professionals to assist us in the screening process.

Companies that do not meet the screening criteria will not be considered as candidates for our Qualifying Acquisition. Through the screening process, we will be able to prioritise the potential Qualifying Acquisition.

7.7.4 Evaluation

The candidate companies that pass the screening process are subject to further detailed evaluation and assessment with regards to the company's business operations and the industry sub-sector that it operates in. We may also carry out a preliminary strategic review of the candidate company to assess the potential synergies from combining our management's experience and expertise with the candidate company.

The criteria for assessment of the company's business operations may be based on, where relevant and among others, the following:

(i) corporate history and structure;

(ii) ownership structure;

(iii) current product and/or brand range;

(iv) financial performance, whereby the latest audited PAT of our Qualifying Acquisition(s) (attributable to Red Sena) shall be at least RM10 million over a full financial year;

(v) existing manufacturing facilities, operations and distribution network;

(vi) where wholesale distribution contributes to majority of the earnings of our Qualifying Acquisition, the remaining tenure of distribution rights of principal products shall be for at least three (3) years post-completion of our Qualifying Acquisition;

(vii) markets that the company currently serve, both domestic and international; and

(viii) strength and weakness analysis of the company's business.

The evaluation of the industry in which the company operates may be based on, where relevant and among others, the following:

(i) the company's position within the Processed F&B industry;

(ii) the company's market position, share and/or ranking;

(iii) the overall recent macroeconomic and demographic performance of the countries of operation;

(iv) regulatory and legal framework of the Processed F&B industry of the countries of operation;

(v) regulations relating to foreign investment, foreign ownership, capital controls, foreign exchange controls and repatriation of profit of the Target Countries (if not Malaysia); and

(vi) opportunities and threat analysis of the company's industry sub-sector and the countries of operation.

The preliminary strategic review may be based on, where relevant and among others, the potential to create synergies by implementing the following post-acquisition measures:

(i) improving branding and marketing;

(ii) expansion of product range;

(iii) strengthening and developing manufacturing capacity;

(iv) expansion of distribution network;

(v) geographical expansion;

(vi) potential synergies and value creation; and

(vii) post-acquisition future growth prospects.

Our Directors and Management Team will be involved in the evaluation process which will include detailed evaluation of the candidate companies. We intend to use our in-house resources and relevant third party professionals such as accountants, lawyers, independent business and market research consultants, financial professionals and company secretaries to obtain further information on the company's business.

During the evaluation process, candidate companies which do not fulfil our identification and screening process will not be considered further and will not be presented to our Management Committee's review. A report containing information on the shortlisted candidate companies based on the aforementioned characteristics will be presented to our Management Committee to assist its deliberations.

7.7.5 Preliminary valuation

Valuation is a key consideration in the selection and ultimately acquisition process. As such, the valuation process will be based on two (2) steps, preliminary and final valuation. The preliminary valuation will enable us to eliminate potential Qualifying Acquisitions that, in our opinion, are overly expensive based on information and analyses from the evaluation process. The final valuation will take into consideration findings from the due diligence process and subject to negotiation with the potential seller.

Our valuation of potential Qualifying Acquisitions will be dependent on, among others, the following attributes and characteristics:

(i) the country or countries where it is based in or operates;

(ii) the business activities that it is involved in and its target market segment;

(iii) the position in its business life cycle;

(iv) its potential for growth and expansion;

(v) portfolio and strengths of its own brands, and/or third party brands that it represents or has rights to use;

(vi) ownership and level of legal protection of its intellectual properties and rights including patents, trademarks, copyrights, proprietary formulations and franchises; and

(vii) its financial condition, historical and prospective performance.

As we have not identified any specific companies that may be described as a potential Qualifying Acquisition, the business strategies and the relevant assumptions have not been determined as at the LPD.

7.7.6 Management Committee review

The shortlisted candidate companies are reviewed by our Management Committee, comprising our Executive Directors and Management Team. Both our Executive Directors and Management Team have extensive experience in the F&B industry and corporate finance and well positioned to deliberate on the merits of the shortlisted candidate companies as our Qualifying Acquisition.

The Management Committee will provide recommendation on the selected candidate companies for the presentation to our Board for their review and approval.

7.7.7 Board of Directors review

Our Board, comprising our Executive and Independent Directors will review the selected candidate companies that were recommended by the Management Committee. Thereafter, we will proceed to negotiate the conditional sales and purchase agreement ("**SPA**") with the vendors of our target Qualifying Acquisition and carry out relevant due diligence process.

7.7.8 Negotiate conditional SPA

The negotiations of the conditional SPA will allow us to determine, among others, the following:

(i) indicative equity stake and acquisition price;

(ii) representations and warranties by both parties; and

(iii) potential post-acquisition role, if any, of the vendors, directors and senior management of our Qualifying Acquisition.

7.7.9 Due diligence

The legal due diligence will cover, among others, legal, regulatory, environmental, corporate governance and conflicts of interests.

The financial due diligence will cover accounting, finance, tax, financial governance, internal accounting and financial processes.

The commercial due diligence will assess our Qualifying Acquisition's business operations as well as the industry in which it operates. In terms of its business operations, the due diligence will cover, where relevant and among others, assessment of the following:

(i) business model incorporating revenue streams, key target markets, key differentiations and competitive advantages;

(ii) management system certification and accreditation;

(iii) manufacturing process flow;

(iv) technologies used;

(v) human resources, management and key technical personnel;

(vi) target markets and marketing;

(vii) branding and other intellectual properties;

(viii) existing distribution channels;

(ix) supply of key input materials and dependencies;

(x) existing customer base and dependencies;

(xi) research and development;

(xii) future plans;

(xiii) inherent risks and weaknesses of the business; and

(xiv) prospects of the business.

The industry due diligence will cover, where relevant and among others, assessment of the following:

(i) macroeconomic and demographic performance;

(ii) supply and demand as well as its dependencies;

(iii) competitive analysis;

(iv) market size, ranking and/or share;

(v) critical success factors;

(vi) opportunities and threats analysis; and

(vii) prognosis of the industry.

We will engage the following relevant third party professionals to undertake the due diligence as and when required:

(i) principal advisers and other financial professionals;

(ii) independent business and market research consultants;

(iii) accounting and audit firms;

(iv) tax consultants;

(v) lawyers;

(vi) property, machine and equipment valuers; and

(vii) company secretaries.

7.7.10 Final valuation

Final valuation will continue from the preliminary valuation process and taking into consideration findings from the due diligence process and any other data, facts, information, and local and global events subsequent to the preliminary valuation process. A suitable method tailored to our potential target Qualifying Acquisition will be employed to obtain a reasonable valuation.

Our valuation will need to be negotiated and agreed with the vendor(s) of our target Qualifying Acquisition before we can proceed to the next step on entering into a conditional SPA.

In addition, our valuation will take into consideration our hurdle rate, which is an IRR of 9% for our investment in our Qualifying Acquisition.

7.7.11 Enter into conditional SPA

The successful conclusion of the conditional SPA negotiations including agreed valuation and the due diligence process (with no material adverse findings) will culminate with our entering into the conditional SPA with the vendors of our target Qualifying Acquisition.

7.7.12 Approval by the SC and other relevant authorities

The application for the acquisition of our Qualifying Acquisition will be submitted to the SC and other relevant authorities (if required) for their approval.

7.7.13 Approval by our shareholders

A circular to shareholders will be issued for the purpose of seeking our shareholders' approval of our target Qualifying Acquisition. An EGM will be convened where the merits of our target Qualifying Acquisition will be presented and discussed, after which the shareholders may vote for or against the acquisition of our Qualifying Acquisition. An approval by a majority in number of the holders of our Shares representing at least 75.00% of the total value of all the Shares held by our shareholders present and voting in person or by proxy at the EGM, excluding Raintree, our Management Team and persons connected to them is required to proceed with the acquisition of our Qualifying Acquisition.

7.7.14 Complete acquisition

The completion of our Qualifying Acquisition is dependent on our Company obtaining the approval of the SC, relevant authorities (if required) and our shareholders and the fulfilment of all of the conditions precedent in the conditional SPA.

7.7.15 Time frame for completion

In compliance to the Equity Guidelines for SPAC, we intend to complete our Qualifying Acquisition within 36 months from the date of our Listing. A SPAC that fails to complete a qualifying acquisition within the Permitted Timeframe must be liquidated. Please refer to Section 6.2.2 of this Prospectus for details relating to the liquidation.

7.8 TAKING CONTROL OF OUR QUALIFYING ACQUISITION

7.8.1 Overview

We will commence the process to take control of our target Qualifying Acquisition once we have entered into the conditional SPA with the vendors. The process may involve the following steps:

(i) establishment of a transition committee;

(ii) setting up a new reporting and management structure;

(iii) assessment and retention of our target Qualifying Acquisition's senior management; and

(iv) formulate a plan to boost the morale of our target Qualifying Acquisition's staff.

7.8.2 Transition committee

We intend to establish a transition committee upon execution of the conditional SPA, or after approvals for the acquisition of our Qualifying Acquisition have been obtained from the SC, other relevant authorities and our shareholders. The main purpose of the transition committee is to ensure that during the transition period, there is a smooth transfer of control of our Qualifying Acquisition from the vendors to our Company, without any disruption to its business operations.

The transition committee will consist of our Management Team, the vendors or their representatives and selected senior managers of our target Qualifying Acquisition. The transition committee will review and approve material commitments that may affect the strategic direction and operations of our target Qualifying Acquisition post-completion, such as material investments and divestitures, long term contracts or arrangements with customers, distributors and suppliers, changes in business directions, product and brand development programmes, and appointment and termination of senior management. Our target Qualifying Acquisition can only proceed to make these commitments with the agreement of the transition committee.

The transition committee will also develop the appropriate communications and hand over plan to be to be carried out upon completion.

7.8.3 New reporting and management structure

Upon the establishment of the transition committee, we will conduct an assessment of our Qualifying Acquisition's management structure and reporting lines. We will develop an appropriate management structure and reporting lines so that our Company has full management control over our Qualifying Acquisition upon completion. Changes in reporting and management structure may include the following:

(i) if our Qualifying Acquisition is a company, our Management Team members will be appointed to replace its existing board of directors;

(ii) if our Qualifying Acquisition consists of a business or assets, we will set up a company whose board of directors are members of our Management Team, to acquire the business or assets;

(iii) establish a direct reporting line from our Qualifying Acquisition's CEO to our board of directors and our CEO;

(iv) establish staff or functional reporting lines from our Qualifying Acquisition's senior managers to the relevant members of our Management Team. For example, the Head of Finance of our Qualifying Acquisition will have a functional reporting line to our CFO, and the Head of Sales to our Business Development Director; and

(v) establish a clear authority matrix for the senior management in line with the new reporting and management structure, where decisions have to be referred higher up in the hierarchy or to the board of directors when it is beyond the authority limit of the position.

Once the changes are implemented upon completion of our Qualifying Acquisition, we will have effective control of our target Qualifying Acquisition and be able to manage its day-to-day operations.

7.8.4 Assessment and retention of senior management

We will also conduct an assessment of our Qualifying Acquisition's senior management team. The process will include an assessment of the senior management personnel's capabilities, skills, experience, potential and suitability in carrying out their role and working with our Company moving forward.

We will formulate a plan to retain the services of suitable senior managers. This is to ensure that their knowledge of our Qualifying Acquisition is transferred to our Company, and we can continue to benefit from their expertise. The retention plan may include, amongst others, the provision of financial or other incentives to senior managers who remain with our Qualifying Acquisition for a specified time period after the completion of our Qualifying Acquisition. We will begin to implement such plan once we have completed our Qualifying Acquisition.

7.8.5 Staff motivation plan

Where appropriate, we will formulate a plan to retain the existing staff of our Qualifying Acquisition to ensure operational stability post-completion of our Qualifying Acquisition. The plan may involve, amongst others, the provision of financial or other incentives to staff who remain employed with our Qualifying Acquisition for a specified time period post-completion of our Qualifying Acquisition.

7.9 OUR STRATEGIES POST-COMPLETION OF OUR QUALIFYING ACQUISITION

7.9.1 Our aspirations

Our vision is to build our Company into a regional player in the Processed F&B industry with a focus on branded packaged F&B products. We will initially focus on developing ourselves as a player in the ASEAN region. Once we are established in the ASEAN region, we envisage expanding to the Asia-Pacific and Middle-East regions and subsequently to other continents.

In terms of business activities, our vision is to continue to be involved in one (1) or more of a combination of branding and marketing, manufacturing and wholesale distribution. The continuing focus on the same set of business activities will enable us to continuously refine our expertise and excel at our core competencies.

Our vision for growth will be based on a combination of organic growth and strategic acquisitions. Organic growth will leverage on our Directors and Management Team's expertise and experience in the Processed F&B industry as well as the intellectual properties of our Qualifying Acquisition (brands and proprietary formulations).

To leverage on the corporate finance and investment expertise of our Directors and Management Team, we will also look into strategic acquisitions to accelerate our growth, complement our brand and/or product portfolio and/or enter new markets and regions.

While we will pursue an accelerated programme for growth, we will minimise our risk exposure by focusing on our core competencies while creating value for our shareholders at all times.

7.9.2 Business expansion

Our Directors and Management Team include individuals with extensive experience in the Processed F&B industry. We will utilise their expertise and experience to develop and execute the post-acquisition strategy to drive our Qualifying Acquisition's business expansion, which may include the following:

(i) enhancing branding and marketing;

(ii) enhancing manufacturing capability;

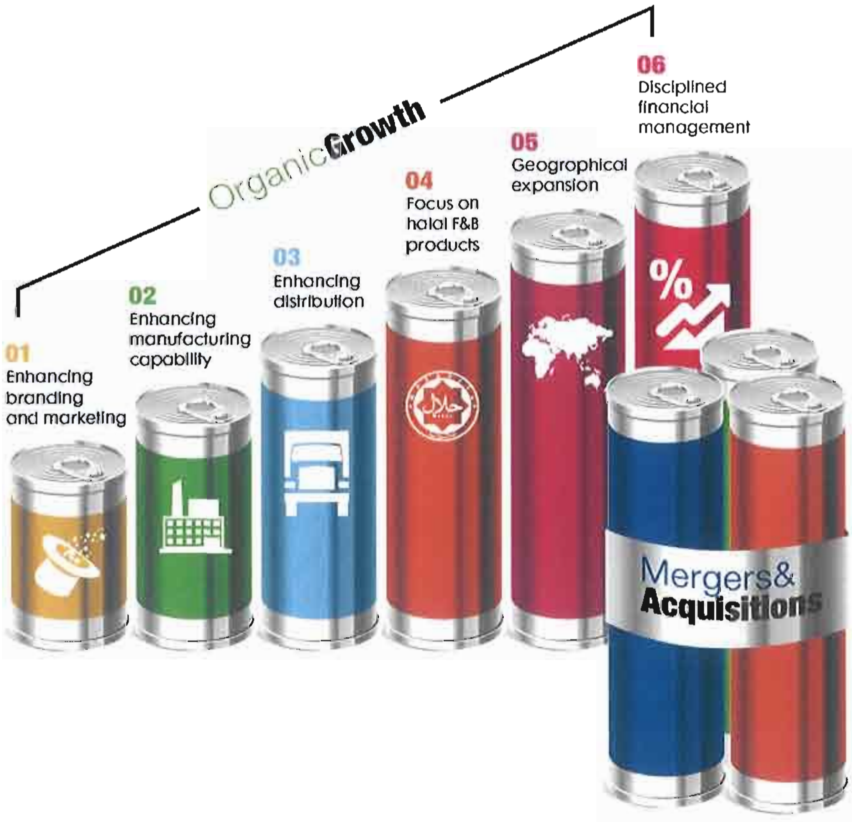
(iii) enhancing distribution;

(iv) focus on Halal F&B products;

(v) geographical expansion;

(vi) disciplined financial management; and

(vii) strategic acquisition.



(i) <u>Enhancing Branding and Marketing</u>

As we will be dealing with branded packaged F&B products that are targeted at the consumer market, we recognise the importance of branding and marketing activities. As such, upon the completion of our Qualifying Acquisition, we will increase our branding and marketing activities to enhance our Qualifying Acquisition's brands.

From the branding perspective, we will undertake a brand audit to establish the strength, weaknesses and ranking of our brands benchmarked against our competitors.

Once we have a clear understanding of our brands, we will embark on a three-pronged strategy over a period of time, namely brand rationalisation, enhancement and extension.

We may carry out brand rationalisation or prioritisation exercise if our Qualifying Acquisition has multiple in-house or licenced third party brands. Brand rationalisation refers to the practice of reducing the number of brands that are used, if it is believed that the company has too many, so that resources can be better focused on the brands that are retained. Brand rationalisation or prioritisation is important as resources are required to maintain and enhance brand equity. If our assessment concludes that our Qualifying Acquisition has too many brands, we will select brands that are assessed to possess desirable characteristics for brand enhancement. The desirable characteristics may include one or more of the following:

(a) high brand equity;

(b) positive perception or association;

(c) widely recognised; or

(d) possesses growth and development potential.

As an example, a company that marketed a certain type of processed F&B products under two (2) different brands in the same country conducted a brand rationalisation exercise. Following a review, it found that the two brands were perceived similarly and targeted similar customer segments, and as a result often competed against one other. The company decided to withdraw one of the brands from that country, and focused its advertising and promotional resources at strengthening the brand that it retained.

For brand enhancement, we will formulate a strategy to strengthen our brands through, among others, brand relaunch, repositioning, advertising and promotion activities to increase brand equity in order to achieve the following:

(a) increase brand awareness and loyalty;

(b) enhance positive brand image; and

(c) develop desirable brand associations.

Brand extension is the process of using existing brands for new product categories. An example is applying a well-known dairy product brand, either as-is or modified, to confectionery.

Depending on the strength, perception, image and association of the brand, our branding strategy will consider using strong existing brands for new products that we may launch in the future as part of our growth strategy.

We will also undertake an audit of marketing strategies and programmes of our Qualifying Acquisition as this will help us to identify areas where we can improve on with the aim of increasing sales.

Our focus areas include, among others, the following:

(a) positioning of our products relative to competing products;

(b) optimising or enhancing our distribution channel strategy;

(c) optimising pricing strategy and to realign it with product positioning;

(d) advertising and promotion strategy and programmes; and

(e) product strategy in terms of product modification and product range enlargement or rationalisation.

The benefits of enhancing branding and marketing include:

(a) increase sales through higher brand equity;

(b) increase product profitability through better pricing relative to product and brand positioning; and

(c) facilitate business growth where our proven brands will provide the platform for geographical expansion as well as brand extension for new product categories.

(ii) <u>Enhancing manufacturing capability</u>

Should our Qualifying Acquisition have its own manufacturing facilities, we may implement a capability enhancement programme to improve its operating performance.

The steps that we may take include, among others, the following:

(a) increase manufacturing capacity by installing additional production lines, increasing automation and improving efficiency to achieve economies of scale. The increase in manufacturing capacity will be coordinated with the overall business expansion plan, which may involve expanding the distribution network, markets, production lines and/or carrying out contract manufacturing for third parties;

(b) modernisation of equipment and improvement of process efficiency via increased automation to reduce manual handling, and improving product quality and safety;

(c) implement a cost reduction programme such as:

- reducing wastage, and substituting input materials including raw materials and packaging without compromising product quality and safety;

- optimising use of human resources involving management, administrative and factory floor personnel, such as engaging casual workers to cope with peak periods without compromising the effectiveness and efficiency of the business operations;

- reducing cost of input materials through constantly reviewing cost performance of suppliers without compromising reliability and quality of supply;

(d) enhance food safety standards through the implementation of in-house quality management standards and procedures, as well as obtaining appropriate certifications like International Organisation of Standardisation (ISO), GMP and HACCP;

(e) install management information and enterprise resource planning systems and other relevant information and communications technology systems. This will allow real time monitoring of manufacturing process for remedial action; and

(f) if not already in place, we will implement various management and process systems to comply with international standards and obtain certifications from recognised independent certification bodies for quality management, environmental management, workers' health and safety and food safety management.

Some of the recognised food safety management system standards include GMP, GHP, and HACCP.

The potential benefits of enhancing our Qualifying Acquisition's manufacturing capabilities may include:

(a) increase in profitability by reducing manufacturing costs while increasing efficiency and output with lower labour costs;

(b) improve production efficiencies without corresponding investment in machinery and equipment;

(c) improvements in product safety, thus minimising potentially costly product recalls, legal lawsuits or loss in consumer confidence; and

(d) creating new, innovative or enhanced products through the use of manufacturing technologies and product research and development.

Once we have improved our manufacturing processes to an optimum level, we will be able to replicate our model.

(iii) <u>Enhancing distribution</u>

Where appropriate, we may enhance our Qualifying Acquisition's distribution network to expand the availability of the products to end users. The steps that we may undertake to develop this may include, among others, the following:

(a) increase the number of outlets that carry our products within existing markets;

(b) expand the range of products to include complementary third-party brands or products;

(c) increase the efficiency of the distribution network to reduce logistic costs;

(d) optimise distribution channel using a combination of direct and indirect distribution.

The potential benefits of enhancing our Qualifying Acquisition's distribution network may include:

(a) growth in sales through:

(aa) increase in the depth and breadth of the existing distribution network, for example making products available in less accessible areas;

(bb) addressing new distribution networks, for example making products available to trade customers, pharmacies and food speciality stores.

(b) improvements in margins and/or profitability by tapping into higher margin product categories or customer segments; and

(c) improvements in margins and/or profitability by reducing distribution costs, including the potential to achieve economies of scale.

(iv) <u>Focus on Halal F&B products</u>

Our intention is to acquire Qualifying Acquisition whose F&B products are pork-free and alcohol-free. Subsequent to the completion of our Qualifying Acquisition, we intend to focus on our Qualifying Acquisition's operations on Halal F&B products. Halal F&B products are those that are permissible for consumption by Muslims. Halal F&B products provide assurance to Muslim consumers that the ingredients used as well as the manufacturing, preparation, handling and storage are in compliance with Shariah law.

Jabatan Kemajuan Islam Malaysia ("**JAKIM**") and the Islamic Religious Council in the respective states in Malaysia are the Halal certification bodies in Malaysia. In other countries, a similar body may be responsible for certifying that F&B products are Halal in their respective countries. The MS 1500:2009 'Halal Food: Production, Preparation, Handling and Storage – General Guide' was developed in Malaysia to assist operators in the F&B industry to attain Halal certification.

To focus on Halal F&B products, we intend to apply to JAKIM or the Islamic Religious Council in the respective states in Malaysia to obtain Halal certification for the F&B products manufactured and/or distributed by our Qualifying Acquisition, if it does not already possess Halal certification that is recognised by the relevant authorities in Malaysia. If our Qualifying Acquisition is not operating in Malaysia, we will seek the equivalent Halal certification for our products by relevant authorities in the respective Target Countries.

We may undertake the following as part of the process of obtaining Halal certification for products manufactured and/or distributed by our Qualifying Acquisition:

(i) review our Qualifying Acquisition's manufacturing operations, product packaging, labelling, transportation, logistics and storage processes; and

(ii) identify and rectify areas of non-compliance.

If our Qualifying Acquisition distributes F&B products that are manufactured by third parties, Halal certification will be obtained based on the third party manufacturer's operations. We will work together with the third party manufacturer to carry out the steps outlined above as part of the process of obtaining Halal certification.

In addition, in the event that we acquire other F&B companies after the acquisition of our Qualifying Acquisition, we will ensure that the prospective F&B companies:

(a) deal in F&B products that are pork-free and alcohol-free; and

(b) have obtained Halal certification for their F&B products, failing which we will seek to obtain the Halal certification after the acquisition is completed.

The benefits of focusing on Halal F&B products are derived from the increase in size of our addressable markets to countries with large Muslim populations. In Asia, the four (4) countries with the largest Muslim populations are Indonesia, Pakistan, India and Bangladesh with a combined Muslim population of 700 million. As of early 2014, there were approximately 1.8 billion Muslims, accounting for approximately 23% of the world's population. Moving forward, the Muslim population is projected to account for between 25% and 27% of the world's population in 2020 and 2030 respectively.

(Source: IMR Report)

(v) <u>Geographical expansion</u>

As part of our growth strategy, we may expand the geographical scope of our Qualifying Acquisition's operations. The steps we take may include, but not limited to, the following:

(a) expand the distribution network or work with third-party distributors to cover new towns, cities and states in a country;

(b) commence distribution of our Qualifying Acquisition's products to new markets by either setting-up own distribution network or working with third-party distributors; and

(c) setting-up manufacturing operations, distribution centres or other sales and marketing operations in new markets.

We may enter into new markets through one (1) or more of the following means:

(a) to use our Qualifying Acquisition's existing portfolio of brands and products without modification;

(b) to make changes to our Qualifying Acquisition's existing brands and products to increase their appeal to customers in the target markets; and

(c) to develop new brands and products that are tailored to the customers' requirements in the target markets.

The potential benefits of expanding our Qualifying Acquisition's geographical reach may include:

(a) increase in revenue;

(b) improved margins and/or profitability by tapping into higher margin product categories or customer segments;

(c) business growth by expanding into new markets; and

(d) diversify revenue streams and customer base to reduce dependency on a single country.

(vi) <u>Disciplined financial management</u>

We may implement strict financial management procedures to improve our Qualifying Acquisition's management. The procedures that we intend to put in place may include, but are not limited to, the following:

(a) enhance our Qualifying Acquisition's financing by optimising its debt and equity mix;

(b) improve inventory management to reduce working capital costs;

(c) manage cash flow through collections from customers and payments to suppliers; and

(d) manage foreign exchange exposure through natural hedging and other instruments, where appropriate and prudent.

The potential benefits of disciplined financial management may include:

(a) optimise financing cost in terms of working capital and debt; and

(b) generate positive cash flow to fund future business expansion, capital expenditures, acquisition of companies, and payment of dividends to our shareholders.

(vii) <u>Strategic acquisition</u>

To accelerate our Company's business growth, we may leverage on our Directors' and Management Team's relevant experience and expertise in the Processed F&B industry to make further strategic acquisitions. Their corporate finance and investment experience will provide us with the capability to effectively identify strategic acquisition targets as well as to evaluate, negotiate and complete the acquisition exercise effectively.

Our goal is to complete strategic acquisitions which have the potential to enhance the value of our Qualifying Acquisition and consequently our Company. As such, we will select acquisition targets with the following potentials to complement our Qualifying Acquisition's strengths:

(a) provide faster growth in revenue and profitability compared to organic growth alone;

(b) expand and complement our brand and/or product portfolio;

(c) complement and/or enhance our manufacturing and/or distribution capability;

(d) provide better access to specific consumer categories; and

(e) facilitate entry into new markets and regions.

Please refer to Section 7.10.2(iv) for examples of strategies undertaken by our Management Team in the past.

7.9.3 Managing business operations outside Malaysia

In the event our Qualifying Acquisition is located outside Malaysia, our Management Team is expected to be based full-time in the particular country(ies) during the initial stage in order to gain full understanding of the operations, setting up the management structure, reporting and monitoring process, and to put in place the new strategic directions, business plans, authority level and corporate culture. Our Management Team is expected to stay on at least up to the stage where our Qualifying Acquisition is running at the targeted level of operations and performance.

7.10 KEY STRENGTHS AND ACHIEVEMENT

7.10.1 The F&B industry in the Target Countries that we intend to enter is large with good growth potential providing us with significant opportunities

The F&B industry in most of the Target Countries that we are proposing to enter is large and has demonstrated good growth over the last five (5) years as indicated below:

Household consumption of food and non-alcoholic beverages

	Local currency (2014)	USD billion equivalent (2014) (1)	CAGR (2010 - 2014)
Indonesia	IDR2,675 trillion	182.5	11.5
The Philippines	PHP3,871 billion	82.8	9.3
Thailand *	THB1,871 billion	51.4	7.2
Vietnam **	VND85 trillion	3.8	23.2
Malaysia	MYR126.1 billion	28.3	9.9
Singapore	SGD10.0 billion	7.0	4.5

(Source: IMR Report)

Notes:

* *Data for Thailand are for 2013, and CAGR between 2009 and 2013.*

** *Data for Vietnam are for 2013 and includes consumption of alcoholic beverages. The CAGR is for between 2009 and 2013.*

(1) Based on the foreign exchange rate between the USD and the respective foreign currency as at the close of trading on 30 September 2015 in instances where household consumption of food and non-alcoholic beverages was not denominated in USD.

The generally large size and good growth track record of the Target Countries' F&B industries will provide us with significant business opportunities to acquire, operate as well as to grow our Qualifying Acquisition.

While Singapore may have the smallest size and lowest growth F&B industry compared to the other Target Countries, it still offers opportunities for us to seek Qualifying Acquisition domiciled in Singapore that has significant revenue derived from overseas markets. Similarly Qualifying Acquisition domiciled in any of the Target Country will also be able to address opportunities in its respective local market as well as overseas markets.

7.10.2 Our Directors and Management Team have the management and operational experience and the expertise to run an F&B business

The majority of our Directors and Management Team hails from the F&B industry in general and the branded packaged F&B business in particular. Their working experience and expertise within the F&B industry provide them with the base to acquire and operate a suitable Qualifying Acquisition in the F&B industry. Their industry credentials and reputation in the F&B industry are set out in Section 7.2.1 of this Prospectus.

(i) We have a good mix of industry and corporate finance and investment skills to execute the acquisition process and thereafter to drive the business

In addition, some of our Directors and members of Management Team have relevant M&A and corporate finance experience in the F&B related industry during their tenure in financial institutions and public listed companies. It will be useful in our continuing business operations dealing with corporate finance and investment matters, particularly in sourcing for a suitable Qualifying Acquisition as well as growing our business through strategic acquisitions upon completion of our Qualifying Acquisition.

(ii) Our Directors and Management Team have the necessary contact base and business network to source for suitable potential Qualifying Acquisition

Many of our Directors and Management Team, having extensive working experience in the F&B industry and business exposure in the Target Countries, have the necessary contact base and business network to source for suitable potential Qualifying Acquisitions. This will facilitate identification of a variety of potential Qualifying Acquisitions to provide sufficient choice to select one or more suitable Qualifying Acquisitions. Having a wide contact base and business network will also help fast track the identification of potential Qualifying Acquisitions.

(iii) The proceeds from the IPO will provide us with resources to promptly complete an acquisition

In seeking to acquire a suitable Qualifying Acquisition, we have an advantage that we have ready cash from our IPO proceeds to promptly complete the acquisition of a suitable Qualifying Acquisition. This is in contrast to competing buyers that need to source funds prior to completing an acquisition.

(iv) Our Management Team has experience executing business strategies

Some of the examples of business strategies that the members of our Management Team had implemented in their past experience are illustrated as follows:

Business strategies	Examples
Enhancing branding and marketing	▪ Campaign for major international sports events ▪ Launching of limited edition products ▪ Appointment of celebrities or sports personalities as brand ambassador ▪ Entering into strategic partnership agreements and sponsorship programmes
Enhancing manufacturing capability	▪ Construction of new manufacturing plants and upgrading of existing plants ▪ Implementation of advanced technology
Enhancing distribution	▪ Restructuring of distribution structure for wider penetration ▪ Streamline of processes to ensure timely flow of information ▪ Strengthening relationship with distributors
Focus on Halal F&B products	▪ Review the operations to ensure compliance with Shariah law ▪ Obtain Halal certification for the F&B products
Geographical expansion	▪ Introduction of products into new market
Disciplined financial management	▪ Negotiation of favourable agreements with suppliers ▪ Adopt new policies to improve working capital cycle
Strategic acquisition	▪ Initiate and oversee strategic acquisitions of businesses and companies

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