

4. DETAILS OF OUR IPO

4.1 OPENING AND CLOSING OF APPLICATION PERIOD

The Application period will open at 10.00 a.m. on [•] and will remain open until 5.00 p.m. on [•]. **LATE APPLICATIONS WILL NOT BE ACCEPTED.**

4.2 INDICATIVE TIMETABLE

Events	Indicative date
Issuance of this Prospectus/ Opening of Application	[•]
Closing of Application	[•]
Balloting of Application	[•]
Allotment of IPO Shares to successful applicants	[•]
Date of Listing	[•]

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

4.3 DETAILS OF OUR IPO

4.3.1 Listing scheme

(a) Public Issue

A total of 51,714,000 Issue Shares, representing 25.5% of our enlarged share capital are offered at our IPO Price. The Issue Shares shall be allocated in the following manner:

(i) Malaysian Public

10,140,000 Issue Shares, representing 5.0% of our enlarged share capital, are reserved for application by the Malaysian Public, to be allocated via balloting process as follows:

(aa) 5,070,000 Issue Shares, representing 2.5% of our enlarged share capital, made available to public investors; and

(bb) 5,070,000 Issue Shares, representing 2.5% of our enlarged share capital, made available to Bumiputera public investors.

(ii) Eligible Persons

10,140,000 Issue Shares, representing 5.0% of our enlarged share capital, are reserved for our Eligible Persons under the Pink Form Allocations. Further details of our Pink Form Allocations are set out in Section 4.3.2.

(iii) Private placement to Bumiputera investors approved by MITI

25,350,000 Issue Shares, representing 12.5% of our enlarged share capital, are reserved for private placement to Bumiputera investors approved by MITI.

4. DETAILS OF OUR IPO (Cont'd)

(iv) Private placement to selected investors

6,084,000 Issue Shares, representing 3.0% of our enlarged share capital, are reserved for private placement to selected investors.

The basis of allocation of the Issue Shares shall take into account our Board's intention to distribute the Issue Shares to a reasonable number of applicants to broaden our Company's shareholding base to meet the public spread requirements, and to establish a liquid and adequate market for our Shares. Applicants will be selected in a fair and equitable manner to be determined by our Directors.

Upon completion of our Public Issue, our share capital will increase from RM23.4 million comprising 151,086,000 Shares to RM[•] million comprising 202,800,000 Shares. There is no over-allotment or 'greenshoe' option that will increase the number of our IPO Shares.

Our Public Issue is subject to the terms and conditions of this Prospectus.

(b) Listing

Upon completion of our IPO, our Company's entire enlarged share capital of RM[•] million comprising 202,800,000 Shares shall be listed on the ACE Market.

4.3.2 Pink Form Allocations

We have allocated 10,140,000 Issue Shares under the Pink Form Allocations to our Eligible Persons as follows:

Category	No. of Eligible Persons	Aggregate no. of Issue Shares allocated
Eligible Directors	3	300,000
Eligible employees	[•]	[•]
Persons who have contributed to the success of our Group	[•]	[•]
	[•]	10,140,000

Entitlements which are not accepted by certain Eligible Persons will be re-allocated among the Eligible Persons at the discretion of our Board.

(a) Allocation to eligible Directors

The criteria for allocation to our eligible Directors are based on amongst others their anticipated contribution to our Group.

Datuk Keh Chuan Seng (our Non-Independent Non-Executive Deputy Chairman) and Oon Boon Khong (our Managing Director) have opted not to participate in the Pink Form Allocations as they are already our substantial shareholders. Lee Seow Ling (our Independent Non-Executive Director) has also opted not to participate in the Pink Form Allocations.

4. DETAILS OF OUR IPO (Cont'd)

Details of the proposed allocation to our other Directors are as follows:

Name	Designation	No. of Issue Shares allocated
Fu Yew Sun	Independent Non-Executive Chairman	100,000
Koay Hooi Lynn	Independent Non-Executive Director	100,000
Teh Boon Beng	Independent Non-Executive Director	100,000
		300,000

(b) Allocation to our eligible employees

The criteria of allocation to our eligible employees (as approved by our Board) are based on, inter-alia, the following factors:

- (i) Our employees must be an eligible and confirmed employee and on the payroll of our Group;
- (ii) The number of shares allocated to our eligible employees are based on their seniority, position, length of service and respective contribution made to our Group as well as other factors deemed relevant to our Board; and
- (iii) Full time employee of at least 18 years of age.

Details of the proposed allocation to our key senior management are as follows:

Name	Designation	No. of Issue Shares allocated
Lim Swee Chuan	Chief Financial Officer	550,000
Wong Kam Tong	Chief Operating Officer	635,000
Tan Hong Sheng	Product Manager	283,000
Cheng Boon Kai	Procurement Manager	435,000
		1,903,000

(c) Allocation to persons who have contributed to the success of our Group

Persons who have contributed to the success of our Group include business associates, customers and suppliers.

The number of Issue Shares to be allotted to those persons who have contributed to the success of our Group are based on amongst others, the nature and terms of their business relationship with us, length of their relationship with us and the level of contribution and support to our Group.

4.3.3 Placement and underwriting arrangement

Our Underwriter will underwrite 20,280,000 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. The balance 31,434,000 Issue Shares available for application by Bumiputera investors approved by MITI and selected investors will not be underwritten and will be placed out by our Placement Agent.

Any of our Issue Shares not subscribed by the Malaysian Public and Pink Form Allocations shall be subject to the following clawback and reallocation provisions:

- (a) If any Issue Shares allocated to the Malaysian Public are undersubscribed, the balance portion will be allocated for excess application by the Eligible Persons (subject always that public spread requirements are met). Likewise, any Issue Shares which are not taken up by the Eligible Persons, will be allocated to the Malaysian Public in the event of an oversubscription.

4. DETAILS OF OUR IPO (Cont'd)

- (b) After (a) above, the remaining portion will be made available for application by way of private placement to selected investors to be identified.
- (c) Thereafter, any remaining Issue Shares that are not subscribed for will be subscribed by our Underwriter based on the terms and conditions of the Underwriting Agreement.

The allocation of Issue Shares to identified Bumiputera investors shall be subject to the allocation as approved by MITI. Such Issue Shares shall be subject to the following clawback and reallocation provisions:

- (a) Any unsubscribed Issue Shares allocated to Bumiputera investors approved by MITI shall firstly be reallocated to Malaysian institutional investors. If after the above reallocation, there are still Issue Shares not taken up, the said unsubscribed Issue Shares shall then be offered to Bumiputera public investors via public balloting in the event of an oversubscription.
- (b) After (a) above, the remaining portion will be made available for:
 - (i) Malaysian Public, in the event of an oversubscription; or
 - (ii) application by way of private placement to selected investors to be identified, the proportion of which will be determined by our Board and Placement Agent.

The clawback and reallocation shall not apply in the event of oversubscription of the Issue Shares allocated to the Malaysian Public, Pink Form Allocations and private placement to Bumiputera investors approved by MITI. Our Board will ensure that any excess IPO Shares will be allocated in a fair and equitable manner.

4.3.4 Minimum and oversubscription

There is no minimum subscription to be raised from our IPO. However, in order to comply with the public spread requirements of Bursa Securities, the minimum subscription in terms of the number of IPO Shares will be the number of IPO Shares required to be held by public shareholders to comply with the public spread requirements as set out in the Listing Requirements or as approved by Bursa Securities.

In the event of an oversubscription, acceptance of Applications by the Malaysian Public shall be subject to ballot to be conducted in a manner approved by our Directors. Our Board will ensure that any excess IPO Shares will be allocated on a fair and equitable manner.

Under the Listing Requirements, at least 25.0% of our enlarged share capital for which listing is sought must be in the hands of a minimum of 200 public shareholders, each holding not less than 100 Shares upon our admission to the ACE Market. We expect to meet the public shareholding requirement at the point of our Listing. If we fail to meet the said requirement, we may not be allowed to proceed with our Listing on the ACE Market. In such an event, we will return in full, without interest, all monies paid in respect of all applications. If any such monies are not repaid within 14 days after we become liable to do so, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

As at LPD, save as disclosed in Section 4.3.2, to the extent known to our Company:

- (a) there are no substantial shareholder(s), Directors or key senior management of our Group who have indicated to our Company that they intend to subscribe for the IPO Shares; and
- (b) there are no person(s) who have indicated to our Company that they intend to subscribe for more than 5.0% of the IPO Shares.

4. DETAILS OF OUR IPO (Cont'd)

4.4 SHARE CAPITAL, CLASSES OF SHARES AND RANKINGS

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

Details	No. of Shares	RM
Share capital		
As at date of incorporation	2	2
Issued pursuant to the Acquisition	151,085,998	23,357,895
As at date of this Prospectus	151,086,000	23,357,897
To be issued under our Public Issue	51,714,000	[•]
Enlarged share capital upon our Listing	202,800,000	[•]

As at date of this Prospectus, we have only one class of shares, being ordinary shares, all of which rank equally amongst one another.

Our Issue Shares will, upon allotment and issuance, rank equally in all respects with our existing ordinary shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of allotment of our Issue Shares.

Subject to any special rights attaching to any Shares which may be issued by us in the future, our shareholders shall, in proportion to the amount paid-up on the Shares held by them, be entitled to share in the whole of the profits paid out by us as dividends and other distributions and any surplus if our Company is liquidated in accordance with our Constitution.

Each of our shareholders shall be entitled to vote at any of our general meetings in person or by proxy or by other duly authorised representative. On a poll, every shareholder present in person or by proxy or other duly authorised representative shall have one vote for each ordinary share held.

4.5 PURPOSES OF OUR IPO

The purposes of our IPO are as follows:

- (a) To enable our Group to raise funds for the purposes specified in Section 4.9 herein;
- (b) To gain recognition through our listing status to enhance our reputation in terms of marketing our products and to retain and attract new employees;
- (c) To provide an opportunity for the Malaysian Public, including our Eligible Persons to participate in our equity; and
- (d) To enable us to tap into the equity capital market for future fund raising and to provide us the financial flexibility to pursue future growth opportunities as and when they arise.

4. DETAILS OF OUR IPO (Cont'd)

4.6 BASIS OF ARRIVING AT OUR IPO PRICE

Our IPO Price was determined and agreed upon by us and M&A Securities, as our Adviser, Sponsor, Underwriter and Placement Agent, after taking into consideration the following factors:

- (a) Our pro forma NA per Share of RM[•], calculated based on our pro forma NA after our IPO and utilisation of proceeds as at 31 December 2022 of approximately RM[•] million and enlarged share capital of 202,800,000 Shares upon Listing;
- (b) The PE Multiple of our IPO Price of [•] times, calculated based on our PAT for FYE 2022 of RM7.1 million and market capitalisation of RM[•] million upon Listing;
- (c) Our historical financial track record as follows:

	FYE 2020	FYE 2021	FYE 2022
	RM'000	RM'000	RM'000
Revenue	88,995	100,832	122,685
GP	10,800	14,181	19,391
PAT attributable to owners of our Company	2,980	4,282	7,117

- (d) Our competitive strengths as set out in Section 7.16; and
- (e) Our business strategies and prospects as set out in Section 7.17.

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

4.7 TOTAL MARKET CAPITALISATION UPON LISTING

Based on our IPO Price and enlarged share capital of 202,800,000 Shares upon Listing, our total market capitalisation will be RM[•] million.

4.8 DILUTION

Dilution is the amount by which our IPO Price exceeds our pro forma NA per Share immediately after our IPO. The following table illustrates such dilution on a per Share basis:

IPO Price	RM [•]
Pro forma NA per Share as at 31 December 2022 after Acquisition but before Public Issue	0.15
Pro forma NA per Share as at 31 December 2022 after Acquisition, Public Issue and utilisation of proceeds	[•]
Increase in pro forma NA per Share attributable to existing shareholders	[•]
Dilution in pro forma NA per Share to our new public investors pursuant to our IPO	[•]
Dilution in pro forma NA per Share as a percentage of our IPO Price	[•]%

4. DETAILS OF OUR IPO (Cont'd)

Further details of our pro forma NA per Share as at 31 December 2022 is set out in Section 14.

The following table shows the average effective cost per Share paid by our existing shareholders for our Shares since our incorporation up to the date of this Prospectus:

Shareholders	(¹)No. of Shares received	(²)Total consideration		Average effective cost per Share
		RM		
Frazel	66,996,100	10,357,599		0.1546
Datuk Keh Chuan Seng	8,611,900	1,331,400		0.1546
Oon Boon Khong	60,434,400	9,343,158		0.1546
Datin Cheong Kai Meng	86,100	13,311		0.1546
Aromi	13,597,700	2,102,204		0.1546
Lim Swee Chuan	1,359,800	210,225		0.1546
	151,086,000	23,357,897		

Notes:

- (1) Issued under the Acquisition and including transfer of 2 shares from the subscriber shareholders to Frazel.
- (2) Being the consideration for the Acquisition and including transfer of 2 shares from the subscriber shareholders to Frazel.

Save as disclosed above and the Pink Form Allocations to our eligible Directors and key senior management, there has been no acquisition or subscription of any of our Shares by our Directors or key senior management, substantial shareholders or persons connected with them, or any transaction entered into by them which grants them the right to acquire any of our existing Shares, in the past 3 years up to LPD.

4.9 UTILISATION OF PROCEEDS**4.9.1 Public Issue**

The estimated gross proceeds from our Public Issue of RM[•] million will accrue entirely to us and are planned to be utilised in the following manner:

Utilisation of proceeds	Notes	RM'000	%	(¹)Estimated timeframe for utilisation
Setup of a regional storage facility	(a)	[•]	[•]	Within 12 months
Purchase of inventories	(b)	[•]	[•]	Within 12 months
Recruitment of staff	(c)	[•]	[•]	Within 12 months
Estimated listing expenses	(d)	[•]	[•]	Within 1 month
Total		[•]	100.0	

Pending the deployment of the proceeds raised from our Public Issue as aforementioned, the funds will be placed in short-term deposits with financial institutions.

Notes:

- (1) From the date of our Listing, except for staff costs, rental, utilities, security, and general upkeep and maintenance for the regional storage facility which will be utilised within 12 months from the date of commencement of operations of the regional storage facility, estimated to be in August 2024.

4. DETAILS OF OUR IPO (Cont'd)**(a) Setup of a regional storage facility**

As at LPD, we have a storage facility with aggregate space for purposes of our sourcing and distribution of plant-based agricultural products segment of approximately 50,838 sq ft located within the Bukit Minyak Premises. This storage has an average utilisation rate of approximately 88.1% over FYE 2020 to 2022, further details of which are set out in Section 7.13.

With the ongoing growth and expansion of our business, we intend to set up a new regional storage facility in the central region of Peninsular Malaysia. Due to limited financial and human resources in the past, we did not set up such a facility. As at LPD, we are in the midst of identifying a suitable building to rent for our new regional storage facility (with built-up area of approximately 30,000 sq ft), ideally located in Klang, Selangor, which is of near proximity to Port Klang. The exact location and size of the new regional storage facility are subject to changes depending on the market price and availability. Our Group will be applying for a certificate of registration of food premises from the MOH and business/ storage licence from Majlis Perbandaran Klang for the new regional storage facility in Klang.

As at LPD, we store all of our plant-based agricultural products delivered by our suppliers and for onward distribution to our customers at Bukit Minyak Premises. With the setup of this new regional storage facility in the central region, it is expected to enhance the efficiency of our business operations in terms of product delivery to our customers by providing quicker delivery lead times to our customers in the central and southern regions of Peninsular Malaysia. Our products can be directly delivered from our new regional storage facility to our customers in central region (i.e. Selangor, Kuala Lumpur and Negeri Sembilan) and southern region (i.e. Melaka and Johor) of Peninsular Malaysia. For FYE 2020 to 2022, revenue from our sourcing and distribution business from the central and southern regions of Peninsular Malaysia collectively amounted to RM33.4 million, RM42.1 million and RM55.2 million respectively, which accounted for 38.6%, 43.4% and 49.5% respectively of our revenue generated from our sourcing and distribution business segment.

Our Group intends to allocate RM[•] million, representing [•]% of our gross proceeds from the Public Issue as setup costs for the regional storage facility, details of which are as follows:

Description	Estimated cost RM'000	Total estimated cost RM'000	⁽¹⁾Estimated timeframe for utilisation
Renovation costs			
- Mechanical and electrical works	[•]		
- Installation of racking platform and storage fixture	[•]	⁽²⁾ [•]	Within 4 months
Staff costs ⁽³⁾		[•]	⁽³⁾ -
Acquisition of:			
- Office furniture	[•]		
- 2 units of lorry	[•]		
- 2 units of forklift	[•]	⁽²⁾ [•]	Within 4 months
Operating expenses		⁽⁴⁾ [•]	Within 12 months
		<u>[•]</u>	

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

- (1) From the date of our Listing.
- (2) The estimated renovation cost and capital expenditures are based on quotations obtained from contractors and suppliers.
- (3) Comprises staff cost for additional permanent employees for the regional storage facility (i.e. 1 operation manager, 1 warehouse executive, 1 account and administrative executive, 6 storage staffs, 2 logistic crews and 2 lorry drivers, where the number of employees required are based on management's estimation on the storage size, expected inventory levels and operation level of the regional storage facility), to be utilised over a period of 12 months from the commencement of operations of the regional storage facility (estimated to be in August 2024 as stated in the indicative timeline below).
- (4) Comprises rental, utilities, security, and general upkeep and maintenance to be utilised over a period of 12 months from the commencement of operations of the regional storage facility (estimated to be in August 2024 as stated in the indicative timeline below).

Once the setup of the regional storage facility in August 2024 is completed based on the estimated timeline, we will commence our operations immediately.

The indicative timeline for the setup the regional storage facility is as follows:

Timeline	Details
T (from date of our Listing)	Execution of tenancy agreement for the regional storage facility
T + 1 month	Submission of building plan to local council
T + 2 months	<ul style="list-style-type: none"> - Approved building plan obtained from local council - Submission of building plan to the Fire and Rescue Department of Malaysia
T + 3 months	<ul style="list-style-type: none"> - Approval obtained from the Fire and Rescue Department of Malaysia - Commencement of renovation
T + 4 months	<ul style="list-style-type: none"> - Completion of renovation - Business / storage licence obtained from Majlis Perbandaran Klang - Certificate of registration from MOH obtained - Commencement of operations of the regional storage facility

Please refer to Section 7.17.1 for further details.

In the event that we have identified suitable premise for our new regional storage facility and are required to execute the tenancy agreement prior to our Listing, we will fund the setup costs for the regional storage facility using our internally-generated funds. Upon completion of our Listing, we will replenish our internally-generated funds from the earmarked proceeds of the Public Issue.

4. DETAILS OF OUR IPO (Cont'd)**(b) Purchase of inventories**

Our Group intends to allocate RM[•] million, representing approximately [•]% of our gross proceeds from the Public Issue, to increase the inventory levels to support our business growth, of which RM[•] million will be utilised to purchase inventory for our Bukit Minyak Premises and the remaining RM[•] million will be utilised to purchase inventory for the new regional storage facility. The purchase of inventories mainly comprise our 3 main categories of primary plant-based agricultural food ingredients. Raw materials cost accounted for approximately 94.6%, 94.6% and 93.3% of our Group's total cost of goods sold for FYE 2020 to 2022 respectively. Please refer to Section 7.17.2 for further details.

(c) Recruitment of staff

Our Group intends to allocate RM[•] million, representing approximately [•]% of our gross proceeds from the Public Issue, to recruit additional staff in our Bukit Minyak Premises to support the expected growth in our business operations, details of which are as follows:

Details	Pax	(1)RM'000
- Business Development Manager	1	[•]
- Group Accountant	1	[•]
- R&D Executive	1	[•]
- QA&QC Executive	1	[•]
- Sales Executive	3	[•]
- Logistic Executive	1	[•]
		[•]

Note:

- (1) The estimated staff cost is based on management's internal estimations using existing and historical staff salaries of our Group. The estimated staff cost is for a period of 12 months beginning from the date of employment of the respective staff which is expected to be upon our Listing. The estimated staff cost mainly consists of salaries, medical expenses, staff benefits and other related expenses.

(d) Estimated listing expenses

An amount of RM[•] million, representing approximately [•]% of our gross proceeds from the Public Issue, is allocated to meet the estimated cost of our Listing. The following summarises the estimated expenses incidental to our Listing to be borne by us:

Estimated listing expenses	RM'000
Professional fees ⁽¹⁾	[•]
Underwriting, placement and brokerage fees	[•]
Fees payable to the authorities	[•]
Printing and contingencies ⁽²⁾	[•]
	[•]

Notes:

- (1) Includes advisory/professional fees for, amongst others, our Adviser, solicitors, reporting accountants, IMR, internal control reviewer and Issuing House.
- (2) Other incidental or related expenses in connection with our IPO.

4. DETAILS OF OUR IPO (Cont'd)

Any variations from the amounts budgeted above, save for items (b) and (c), shall be adjusted towards or against, as the case may be, the proceeds allocated for the purchase of inventories and recruitment of staff. Any further shortfall will be funded via our internally generated funds and/or bank borrowings. Where applicable and required under Rule 8.24 of the Listing Requirements, we will seek shareholders' approval for any material variation to the intended utilisation of proceeds.

4.10 BROKERAGE FEES, PLACEMENT FEES AND UNDERWRITING COMMISSION

4.10.1 Brokerage fees

Brokerage is payable in respect of the Issue Shares at the rate of 1.0% of our IPO Price in respect of successful applicants which bear the stamp of member companies of Bursa Securities, member of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association or Issuing House.

4.10.2 Placement fees

Our Placement Agent will place out a total of 31,434,000 Issue Shares to Bumiputera investors approved by MITI and selected investors.

We will pay our Placement Agent a placement fee of [•]% of our IPO Price multiplied by the number of Issue Shares placed out by our Placement Agent.

4.10.3 Underwriting commission

Our Underwriter has agreed to underwrite 20,280,000 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. We will pay our Underwriter an underwriting commission of [•]% of our IPO Price multiplied by the number of Shares underwritten.

4.11 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We have entered into the Underwriting Agreement with M&A Securities, to underwrite 20,280,000 Issue Shares ("**Underwritten Shares**") as set out in Section 4.3.3.

The salient terms in the Underwriting Agreement are as follows:

[•]

4.12 TRADING AND SETTLEMENT IN SECONDARY MARKET

Our Shares will be admitted to the Official List of the ACE Market and an official quotation will commence after, among others, the receipt of confirmation from Bursa Depository that all of our IPO Shares have been duly credited into the respective CDS Accounts of the successful applicants and the notices of allotment have been issued and despatched to all the successful applicants.

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

4. DETAILS OF OUR IPO (Cont'd)

Upon our Listing, transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS Account being debited with the number of Shares sold and the buyer's CDS Account being credited with the number of Shares acquired.

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

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