

6. INFORMATION ON OUR GROUP

6.1 INFORMATION ON OUR COMPANY

Our Company was incorporated in Malaysia under the Act on 16 May 2023 as a private limited company under the name of Agricore CS Holdings Sdn Bhd. On 11 September 2023, our Company was converted into a public limited company and adopted our present name.

Our Company is principally an investment holding company. There has been no material change in the manner in which we conduct our business or activities since our incorporation and up to LPD. Through our subsidiaries, we are principally involved in the sourcing, distribution and production of food ingredients. Please refer to Section 7.1 for detailed information of our Group's history.

As at LPD, our share capital is RM23,357,897 comprising 151,086,000 Shares, which have been issued and fully paid-up. The movements in our share capital since the date of our incorporation are set out below:

Date of allotment	No. of Shares allotted	Consideration/ Types of issue	Cumulative share capital RM
16 May 2023	2	RM2/ Subscribers' share	2
[•]	151,085,998	RM23,357,895/ Consideration for the Acquisition	23,357,897

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

Upon completion of our IPO, our enlarged share capital will increase to RM[•] million comprising 202,800,000 Shares.

6.2 DETAILS OF THE ACQUISITION

In preparation for our Listing, we have undertaken the Acquisition. On 8 August 2023, we entered into a conditional share sale agreement with Frazel, Datuk Keh Chuan Seng, Datin Cheong Kai Meng, Oon Boon Khong, Aromi and Lim Swee Chuan to acquire a total of 10,000,000 ordinary shares in ACS representing the entire equity interest for a total purchase consideration of RM23.4 million which was satisfied by the issuance of 151,085,998 new Shares to the vendors at an issue price of RM0.1546 each.

Details of the Acquisition and the number of Shares issued to the vendors under the Acquisition are set out below:

Vendors of ACS	Shareholdings in ACS		Purchase consideration RM'000	No. of Shares issued
	No. of shares acquired	% of share capital		
Frazel	4,434,300	44.3	10,358	66,996,098
Datuk Keh Chuan Seng	570,000	5.7	1,331	8,611,900
Datin Cheong Kai Meng	5,700	0.1	13	86,100
Oon Boon Khong	4,000,000	40.0	9,343	60,434,400
Aromi	900,000	9.0	2,102	13,597,700
Lim Swee Chuan	90,000	0.9	210	1,359,800
	10,000,000	100.0	23,357	151,085,998

6. INFORMATION ON OUR GROUP (Cont'd)

The purchase consideration for the Acquisition of RM23.4 million was arrived at a "willing-buyer willing-seller" basis after taking into consideration the adjusted NA of ACS as at 31 December 2022 of RM23.4 million and the declaration and payment of final dividend in respect of FYE 2022, details of which are as follows:

	RM'000
Audited NA of ACS as at 31 December 2022	24,776
Less: Dividend paid on 31 July 2023	(1,423)
Adjusted NA of ACS	<u>23,353</u>

The Acquisition was completed on [•]. Thereafter, ACS became our wholly-owned subsidiary, as set out in our group structure in Section 6.3.

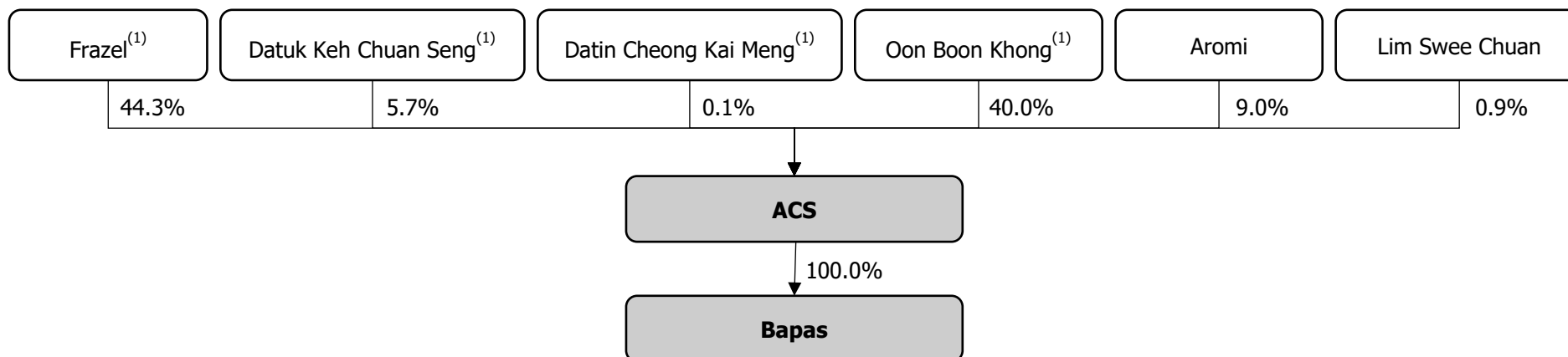
The new Shares issued under the Acquisition rank equally in all respects with our existing Shares including voting rights and will be entitled to all rights and dividends and/or other distributions, the entitlement date of which is subsequent to the date of issuance of the new Shares.

The rest of this page is intentionally left blank

6. INFORMATION ON OUR GROUP (Cont'd)

6.3 GROUP STRUCTURE

Before the Acquisition



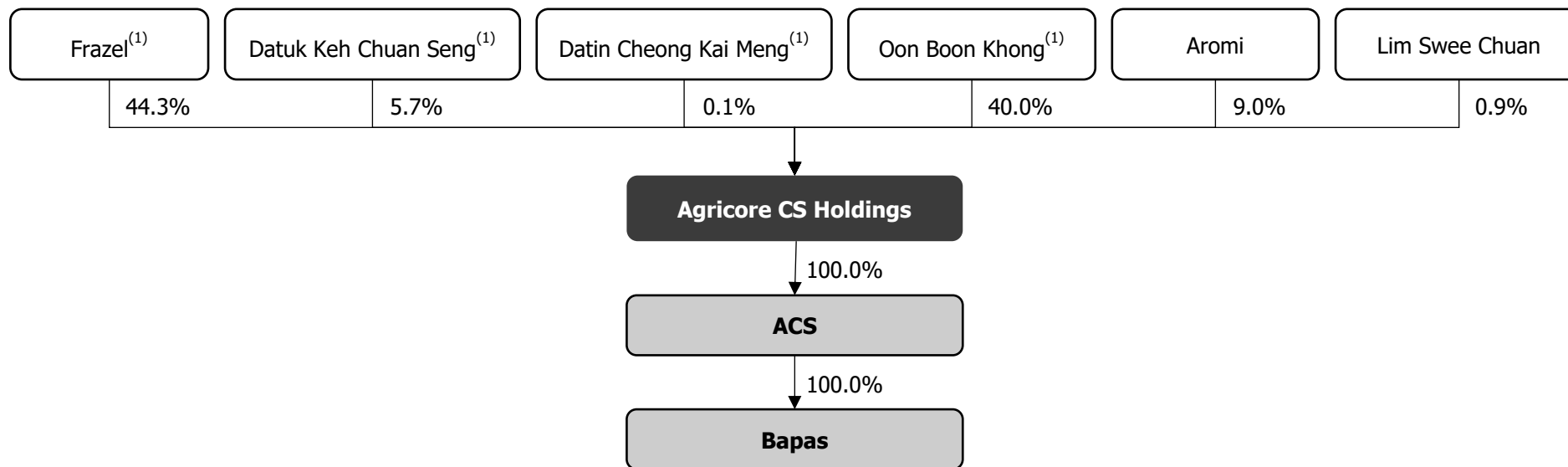
Note:

⁽¹⁾ Refers to the Promoters.

Please refer to Section 5.1.2(a) for details of shareholdings of Fazel and Section 5.1.2(e) for details of shareholdings of Aromi.

6. INFORMATION ON OUR GROUP (Cont'd)

After Acquisition but before our IPO

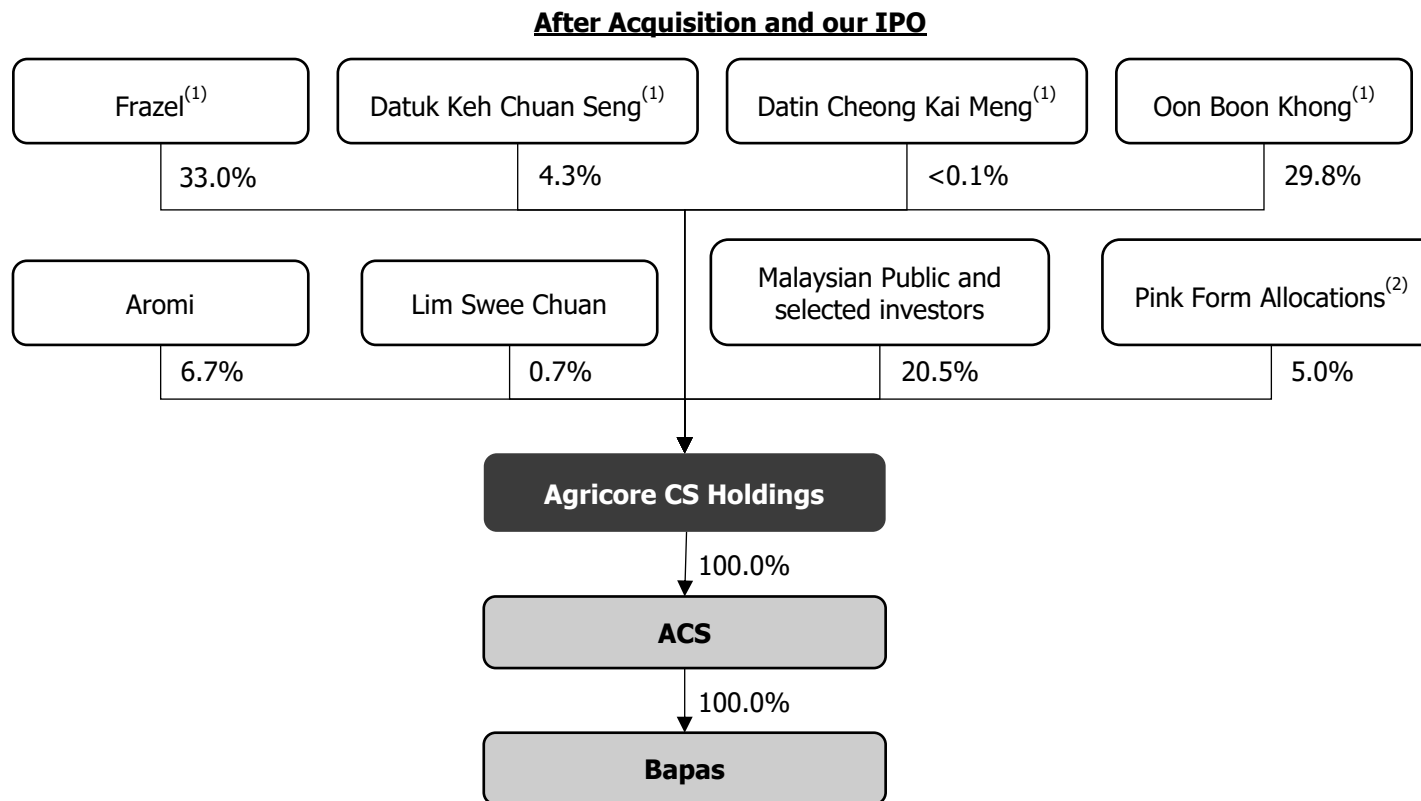


Note:

⁽¹⁾ Refers to the Promoters.

Please refer to Section 5.1.2(a) for details of shareholdings of Frael and Section 5.1.2(e) for details of shareholdings of Aromi.

6. INFORMATION ON OUR GROUP (Cont'd)



Notes:

(1) Refers to the Promoters.

(2) Assuming that all Eligible Persons will subscribe for the Pink Form Allocations.

Please refer to Section 5.1.2(a) for details of shareholdings of Frazel and Section 5.1.2(e) for details of shareholdings of Aromi.

6. INFORMATION ON OUR GROUP (Cont'd)

6.4 SUBSIDIARIES AND ASSOCIATED COMPANIES

Details of our subsidiaries as at LPD are summarised as follows:

Company/ Registration No.	Date/ Place of incorporation	Issued share capital	Effective equity interest	Principal activities/ Principal place of business
			%	
ACS/ 200901002764 (845691-H)	3 February 2009/ Malaysia	10,000,000	100.0	Sourcing and distribution of plant-based agricultural food ingredients/ Malaysia
Held through ACS				
Bapas/ 201401048709 (1124898-K)	30 December 2014/ Malaysia	3,000,000	100.0	Production and sale of food additives and fried shallots/ Malaysia

Details of the share capital of our subsidiaries are set out in Section 15.2.

As at LPD, we do not have any associated company.

6.5 MATERIAL CONTRACTS

Save as disclosed below, there were no contracts which are or may be material (not being contracts entered into in the ordinary course of business) entered into by our Group for FYE 2020 to 2022 and up to LPD:

- (a) conditional share sale agreement dated 8 August 2023 with Frazel, Datuk Keh Chuan Seng, Datin Cheong Kai Meng, Oon Boon Khong, Aromi and Lim Swee Chuan for the Acquisition, which was completed on [●];
- (b) novation and debt settlement agreement dated 24 September 2021 made between ACS, Bourne Commercial Ltd ("**Bourne**") and the shareholders of ACS at the material time, namely Aromi, BBN Network Sdn Bhd, Oon Boon Khong and Leong Yeok Wah ("**Shareholders**") for the settlement of the debt owed by ACS to Bourne in cash amounting to RM5,443,876.17 ("**Debt**") in respect of various purchases of supplies including beans and pulses as well as starch products by ACS from Bourne between March 2020 to May 2020 in the following manner:
 - (i) novation of all rights, liabilities and obligations in, to and towards part of the Debt amounting to RM3,250,000 by ACS to the Shareholders in the exact proportion of their shareholdings in ACS which are to be settled within 15 years from the date of the agreement ("**Assumed Debt**"); and
 - (ii) settlement of outstanding difference of RM2,193,876.17 by ACS within 2 years from the date of the agreement.

In view of the high capital outlay for the construction of Phase 3 expansion comprising a double-storey factory to the existing storage facility on the Bukit Minyak Premises (detailed in Section 6.5(c)) as well as to cushion the uncertainties caused by COVID-19, ACS negotiated with Bourne to restructure the Debt to avoid constraint to ACS' cashflow. As a result, ACS, Bourne and Shareholders entered into the aforementioned novation and

6. INFORMATION ON OUR GROUP (Cont'd)

debt settlement agreement. The amount in (i) above was subsequently capitalised into 3,250,000 new shares of ACS on 30 November 2021 whereby such shares were allotted to the Shareholders for settling the Assumed Debt owed by ACS to Bourne, and the amount in (ii) above was fully settled in cash by ACS on 28 October 2022; and

- (c) letter of award dated 26 December 2020 from Perunding LW on behalf of Bapas to S.H. Butterworth Engineering Sdn Bhd for the proposed construction of an additional double-storey factory to the existing storage facility on Bukit Minyak Premises for an aggregate contract value of RM2,233,750 which was completed on 8 April 2022.

6.6 PUBLIC TAKE-OVERS

During the last financial year and the current financial year up to LPD, there were:

- (a) No public take-over offers by third parties in respect of our Shares; and
- (b) No public take-over offers by our Company in respect of other companies' shares.

The rest of this page is intentionally left blank

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

6.7 MAJOR APPROVALS AND LICENCES

As at LPD, there are no other major approvals, licences and permits issued to our Group in order for us to carry out our operations other than those disclosed below:

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/licences	Equity and/or major conditions imposed	Status of compliance
(a)	Bapas	MITI	From December 2022 onwards (valid until and unless revoked or surrendered)	Manufacturing licence for manufacturing of food additives and seasoning	<ol style="list-style-type: none"> 1. MITI and MIDA must be notified of any sale of the shares in the company 2. The company shall train Malaysian citizens in order to transfer technology and expertise to every level/position 3. The company must comply with the Capital Investment Per Employee (CIPE) requirement of at least RM140,000 4. The company's total full-time workforce must consist of at least 80% Malaysians. The employment of foreign nationals including employees obtained through outsourcing is subject to the current policy 	Complied
(b)	Bapas	MITI	From 27 January 2023 onwards (valid until and unless revoked or surrendered)	Manufacturing licence for manufacturing of fried shallots	<ol style="list-style-type: none"> 1. MITI and MIDA must be notified of any sale of the shares in the company 2. The company shall train Malaysian citizens in order to transfer technology and expertise to every level/position 3. The company must comply with the Capital Investment Per Employee (CIPE) requirement of at least RM140,000 	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/licences	Equity and/or major conditions imposed	Status of compliance
					4. The company's total full-time workforce must consist of at least 80% Malaysians. The employment of foreign nationals including employees obtained through outsourcing is subject to the current policy	Complied
(c)	ACS	MOH	8 December 2021 / 7 December 2024	MeSTI Certificate that ACS has fulfilled the terms and conditions for certification of MeSTI (Makanan Selamat Tanggungjawab Industri)	1. The MeSTI Certificate and logo shall not be transferred nor shall its content be altered 2. Any changes to the name or address of the factory or premise, certification scope or anything related thereto shall be informed in writing to the Senior Director for Food Safety and Quality, MOH for further action. Certification will be automatically void should the factory or premise ceased operation 3. The use of the logo is only allowed for food product that is being produced in the premise as stated in the certificate	Noted Noted Complied
(d)	Bapas	MOH	10 May 2023 / 9 May 2026	MeSTI Certificate that Bapas (Simpang Empat Factory) has fulfilled the terms and conditions for certification of MeSTI (Makanan Selamat Tanggungjawab Industri)	1. The MeSTI Certificate and logo shall not be transferred nor shall its content be altered 2. Any changes to the name or address of the factory or premise, certification scope or anything related thereto shall be informed in writing to the Senior Director for Food Safety and Quality, MOH for further action. Certification will be automatically void should the factory or premise ceased operation 3. The use of the logo is only allowed for food product that is being produced in the premise as stated in the certificate	Noted Noted Complied

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/licences	Equity and/or major conditions imposed	Status of compliance
(e)	Bapas	MOH	10 June 2022 / 9 June 2025	MeSTI Certificate that Bapas (Bukit Minyak Premises) has fulfilled the terms and conditions for certification of MeSTI (Makanan Selamat Tanggungjawab Industri)	<ol style="list-style-type: none"> 1. The MeSTI Certificate and logo shall not be transferred nor shall its content be altered 2. Any changes to the name or address of the factory or premise, certification scope or anything related thereto shall be informed in writing to the Senior Director for Food Safety and Quality, MOH for further action. Certification will be automatically void should the factory or premise ceased operation 3. The use of the logo is only allowed for food product that is being produced in the premise as stated in the certificate 	<p>Noted</p> <p>Noted</p> <p>Complied</p>
(f)	ACS	Ministry of Agriculture and Agro-based Industry	19 January 2022/ 18 January 2025	Wholesale licence to sell rice by wholesale and to store rice	<ol style="list-style-type: none"> 1. To sell rice by wholesale at Bukit Minyak Premises 2. An application to renew the licence has to be made no later than 30 days before the date of expiry 	<p>Complied</p> <p>Noted</p>
(g)	ACS	Ministry of Agriculture and Agro-based Industry	15 August 2023 / 14 August 2026	Import licence to import rice into Malaysia and store rice	<ol style="list-style-type: none"> 1. To import rice into Malaysia and to store rice at Bukit Minyak Premises 2. An application to renew the licence has to be made no later than 30 days before the date of expiry 	<p>Complied</p> <p>Noted</p>
(h)	ACS	Ministry of Agriculture and Agro-based Industry	15 August 2021 / 14 August 2024	Export licence to export rice out of Malaysia and to store rice	<ol style="list-style-type: none"> 1. To export rice out of Malaysia and to store rice at Bukit Minyak Premises 2. An application to renew the licence has to be made to later than 30 days before the date of expiry 3. This licence only permits the exporting of glutinous rice flour, vermicelli, bran and downstream products only. Every export made is subject to the 	<p>Complied</p> <p>Noted</p> <p>Complied</p>

6. INFORMATION ON OUR GROUP (Cont'd)

<u>No.</u>	<u>Licencee</u>	<u>Issuing authority</u>	<u>Date of issue or commencement/ Date of expiry</u>	<u>Nature of approval/licences</u>	<u>Equity and/or major conditions imposed</u>	<u>Status of compliance</u>
					approval of the Director General of control of paddy and rice via e_Permit (AP) on the online system of the Royal Customs of Malaysia	
(i)	ACS	Ministry of Domestic Trade and Cost of Living	22 June 2021 / 21 June 2024	Wholesale licence to deal by wholesale for sugar, cooking oil and wheat flour	<ol style="list-style-type: none"> 1. This licence is valid for wholesale dealing of sugar, cooking oil and wheat flour only at Bukit Minyak Premises 2. The licence holder has to keep the sugar, cooking oil and wheat flour only at Bukit Minyak Premises 3. The licence cannot be transferred 4. The licence holder shall not have in its possession or under its custody or control and shall not allow anyone to have in its possession or under its custody or control on behalf of the licence holder more than the quantity stated below of the scheduled articles to which this license applies: <ul style="list-style-type: none"> - Sugar – 50 MT - Cooking Oil – 100 MT - Wheat Flour – 50 MT 5. The licence holder must consult and obtain approval from the Ministry of Domestic Trade and Cost of Living before raising the price of sugar, wheat flour, or cooking oil 	<p>Complied</p> <p>Complied</p> <p>Noted</p> <p>Complied</p> <p>Noted</p>
(j)	Bapas	Ministry of Domestic Trade and Cost of Living	16 May 2023 / 15 May 2024	Scheduled controlled articles permit to store up to 12,000 kg of cooking oil	<ol style="list-style-type: none"> 1. The licence holder shall store controlled scheduled article at Simpang Empat Factory 	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/licences	Equity and/or major conditions imposed	Status of compliance
					2. The licence holder shall store or have in possession of controlled scheduled article not exceeding the quantity permitted in this permit	Complied
					3. The licence holder shall purchase specified controlled scheduled article for personal use and not for resale purposes	Complied
					4. The licence holder shall maintain a purchase record book containing the supplier's name and address, date of purchase, quantity and price and keep invoices, receipts or any purchase documents	Complied
					5. This permit is not transferrable	Noted
					6. Renewal of permit must be submitted 30 days before expiration	Noted
					7. The scheduled controlled article purchased and stored are not subsidised controlled article	Noted
(k)	ACS	MOH	15 October 2021 / 15 October 2024	Certificate of registration of food premises involved in manufacturing of food at Bukit Minyak Premises	This certificate cannot be transferred	Noted
(l)	Bapas	MOH	28 October 2020 / 27 October 2023 (renewed with new expiry on 28 October 2026)	Certificate of registration of food premises involved in manufacturing of food at Bukit Minyak Premises	This certificate cannot be transferred	Noted
(m)	Bapas	MOH	19 January 2023 / 19 January 2026	Certificate of registration of food premises involved in manufacturing of food at Simpang Empat Factory	This certificate cannot be transferred	Noted

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/licences	Equity and/or major conditions imposed	Status of compliance								
(n)	Bapas	Ministry of Domestic Trade and Cost of Living	27 July 2023 / 26 July 2026	Certificate of Recognition that the products manufactured by Bapas fulfils the terms and conditions for certification of Malaysian Goods Logo:	Nil	N/A								
				<table border="1"> <thead> <tr> <th>No.</th> <th>Brand</th> <th>Product Name</th> <th>Details of SKU</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>CAP POKOK</td> <td>Fried shallots</td> <td>Ranging from 60g to 1kg of fried shallots</td> </tr> </tbody> </table>	No.	Brand	Product Name	Details of SKU	1	CAP POKOK	Fried shallots	Ranging from 60g to 1kg of fried shallots		
No.	Brand	Product Name	Details of SKU											
1	CAP POKOK	Fried shallots	Ranging from 60g to 1kg of fried shallots											
(o)	ACS	JAKIM	16 July 2023 / 15 July 2025	Halal Certificate of Authentication certifying that the following products manufactured / distributed / managed by ACS has complied with Islamic Law and Malaysian Halal Standard and approved by Halal Certification Panel of Majlis Agama Islam Negeri Pulau Pinang:	<ol style="list-style-type: none"> 1. This Halal Certificate of Authentication (The Certificate) and the Malaysian Halal Logo (the Logo) shall not be traded, transferred nor shall its contents be altered 2. Any changes to the name or address of the company, factory or premise, name of product, ingredients, suppliers or anything related thereto shall be informed in writing to the Director General of JAKIM and/or the State Islamic Religious Affairs Council (MAIN)/State Department of Islamic Religious Affairs (JAIN) for further action 3. The use of the logo on the approved product/ premise/ service shall be accompanied by the reference number and standard number as stated in the certificate for such product/premise/services 4. A renewal application shall be submitted at the earliest 6 months or no later than 3 months before the expiry of the certificate 	<ol style="list-style-type: none"> 1. Antifoam 2. Corn Starch 3. Finest Glutinous Rice Flour 4. Modified Tapioca Starch 5. Potato Starch 6. Sago Starch 7. Tapioca Starch 8. Wheat Starch 	<p>Noted</p> <p>Noted</p> <p>Complied</p> <p>Noted</p>							

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/licences	Equity and/or major conditions imposed	Status of compliance
(p)	ACS	JAKIM	1 December 2022 / 30 November 2024	Halal Certificate of Authentication certifying that the following products manufactured / distributed / managed by ACS has complied with Islamic Law and Malaysian Halal Standard and approved by Halal Certification Panel of Jabatan Hal Ehwal Agama Islam Pulau Pinang: <ol style="list-style-type: none"> 1. Barley 2. Black Bean with Green Kernel 3. Black Eyed Bean 4. Black Matpe 5. Brown Bean 6. Chickpeas 7. Dun Peas 8. Green Mung Bean 9. Green Peas 10. Groundnut 11. Maisu 12. Marrowfat Peas 13. Mung Dhall 14. Red Bamboo Bean 15. Red Bean 16. Red Kidney Bean 17. Sago Seed 18. Sesame Seeds 19. Soybeans 20. Urid Dhall 21. Urid Gota 22. Yellow Bamboo Bean 23. Yellow Split Peas 	<ol style="list-style-type: none"> 1. This Halal Certificate of Authentication (The Certificate) and the Malaysian Halal Logo (the Logo) shall not be traded, transferred nor shall its contents be altered 2. Any changes to the name or address of the company, factory or premise, name of product, ingredients, suppliers or anything related thereto shall be informed in writing to the Director General of JAKIM for further action 3. The use of the logo on the approved product/ premise/ service shall be accompanied by the reference number and standard number as stated in the certificate for such product premise 4. A renewal application shall be submitted 3 months before the expiry of the certificate 	<p>Noted</p> <p>Noted</p> <p>Complied</p> <p>Noted</p>

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/licences	Equity and/or major conditions imposed	Status of compliance
(s)	Bapas	JAKIM	1 October 2022 / 30 September 2024	Halal Certificate of Authentication that the following products manufactured / distributed / managed by Bapas has complied with Islamic Law and Malaysian Halal Standard and approved by Halal Certification Panel of Majlis Agama Islam Negeri Pulau Pinang: 1. Agrinom B01 Antioxidant; 2. Agriphos – NF 01 Acidity Regulator; 3. Agriphos – NM 01 Acidity Regulator; 4. Agriphos C01 CM Sequestrant; 5. Agriphos C05 Sequestrant; 6. Agriphos C18 Sequestrant; 7. Agriphos P80 Sequestrant; 8. Agriphos P80CM Sequestrant; 9. Agriphos S20 Sequestrant; 10. Agripro E10 Preservative; 11. Agripro E5 Preservative; 12. Agripro E8 Preservative; 13. Agristar OSC 55 Modified Starch; 14. Agristar OV 01 Modified Starch; 15. Agristar SA 64 Modified Starch; 16. Agristar SA 99 Modified Starch; 17. Agristar SC01 Modified Starch; 18. Agristar SCH 01 Modified Starch; 19. Agristar SCH 01M Modified Starch; 20. Agristar SCH 02 Modified Starch;	4. A renewal application shall be submitted 3 months before the expiry of the certificate 1. This Halal Certificate of Authentication (The Certificate) and the Malaysian Halal Logo (the Logo) shall not be traded, transferred nor shall its contents be altered 2. Any changes to the name or address of the company, factory or premise, name of product, ingredients, suppliers or anything related thereto shall be informed in writing to the Director General of JAKIM for further action 3. The use of the logo on the approved product/ premise/ service shall be accompanied by the reference number and standard number as stated in the certificate for such product premise 4. A renewal application shall be submitted 3 months before the expiry of the certificate	Noted Noted Noted Complied Noted

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/licences	Equity and/or major conditions imposed	Status of compliance
				21. Agristar SCH 02M Modified Starch; 22. Agristar SCH 03 Modified Starch; 23. Agristar SCH 03M Modified Starch; 24. Agristar SCH 04 Modified Starch; 25. Agristar SCH 04M Modified Starch; 26. Agristar SD 99 Modified Starch; 27. Agristar SE 01 Modified Starch; 28. Agristar SGH 919 Modified Starch; 29. Agristar SIP 01 Emulsifier; 30. Agristar SO 99 Modified Starch; 31. Agristar SP 01 Emulsifier; 32. Agristar SV 64 Modified Starch; 33. Agristar SV 99 Modified Starch; 34. Agristar SX 72 Modified Starch; 35. Agristar SX 99 Modified Starch; 36. Agristar SZ 919 Modified Starch; and 37. Agritex S01 Stabilizer		
(t)	ACS	Seberang Perai City Council	3 December 2021 / 31 December 2023	Business Licence for factory for processing and packaging of nuts, flour, oil and other raw foodstuffs: - Packing soybeans, peanuts and other grain food - Warehouse/ Place to store stuff - Office Signboard Licence	Nil	N/A

6. INFORMATION ON OUR GROUP (Cont'd)




No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/licences	Equity and/or major conditions imposed	Status of compliance
(u)	Bapas	Seberang Perai City Council	16 December 2022 / 31 December 2023	Business Licence for: - Factory to manufacture other raw foodstuffs not included in the schedule - Trading firm/ Office - Warehouse/ Place to store stuff Signboard Licence	Nil	N/A
(v)	Bapas	Seberang Perai City Council	5 December 2022 and 20 September 2023 (for Signboard Licence) / 31 December 2023	Business Licence for manufacturing of food additives & seasoning: - Laksa, instant noodles, noodle, koay teow and food made from flour - Warehouse/ Place to store stuff - Office Signboard Licence	Nil	N/A

As at LPD, our Group has obtained all the requisite approvals, licences and permits for our business operations and our Group has not faced any issues in relation to renewal of our approvals, licences and permits.



6. INFORMATION ON OUR GROUP (Cont'd)

6.8 INTELLECTUAL PROPERTIES




As at LPD, our Group does not own and has not applied for the registration of any other intellectual properties other than those disclosed below:

Design	Registered owner/ Trademark no.	Approving authority/ Place of application or registration	Class/ Description	Status	Validity period
	ACS/ 2010021053	MyIPO/ Malaysia	29/ Baked beans; bean curd; beans; beans in tomato sauce; canned beans; canned foods; dried soya beans; edible oils; fermented bean curd; milk powders (other than foodstuff for babies); nuts (prepared); processed beans; red bean (raw adzuki beans); soya bean milk; soya bean milk in liquid and solid form; soya bean oil for food; tofu; all included in class 29	Registered	3 November 2020 to 3 November 2030
	ACS/ 2010021054	MyIPO/ Malaysia	30/ Baking powder; coffee; corn starch flour; curry powder; flour for food; food starch; molasses for food; noodles; powder for making cakes; rice starch flour; soya flour; spices; sugar; tapioca flour; tea; vermicelli (noodles); wheat starch flour; all included in class 30	Registered	3 November 2020 to 3 November 2030
	ACS/ 2010021055	MyIPO/ Malaysia	35/ Advisory services for business management; computerized on-line retail store services in the field of grocery; franchising services (group purchasing, group advertising); import-export agencies; organisation of exhibitions for commercial or advertising purposes; retail grocery stores; retail services or wholesale services for foods and beverages; wholesale and retail store services and on-line retail and wholesale store services featuring grocery; all included in class 35	Registered	3 November 2020 to 3 November 2030



6. INFORMATION ON OUR GROUP (Cont'd)

Design	Registered owner/ Trademark no.	Approving authority/ Place of application or registration	Class/ Description	Status	Validity period
	ACS/ 2014051841	MyIPO/ Malaysia	29/ Cooking oil, processed onion (fried onions, onion flakes, onion paste), processed shallots (fried shallot, shallot flakes, shallot paste) , preserved shallots, preserved onion, processed garlic (fried garlic, garlic flakes, garlic paste), garlic (preserved), sesame oil, colza oil for food, corn oil, palm oil for food, nut oil, sunflower oil, anchovy, dates, eggs, edible birds' nests, coconut oil and fats (for food), potato chips, condensed milk, milk products, preserved mushrooms, prepared mushrooms, preserved peas, tuna fish, sea cucumbers (not live), salted fish, sardines, salmon, shrimp (not live), processed peanuts, raisins, dried vegetables, preserved vegetables, canned fruits, pickles, sausages; all included in class 29	Registered	11 February 2014 to 11 February 2024
	ACS/ 2014051843	MyIPO/ Malaysia	30/ Cooking salt; processed shallot for use as seasoning; processed garlic for use as seasoning; processes onion for use as seasoning; cracker; chips (cereal products); biscuits; edible ices; curry (spices); flavouring - other than essential oils; turmeric for food; husked barley; maize flour; popcorn; pepper; potato flour; rice; glutinous rice; glutinous rice flour; rice noodles (chinese rice noodles - bihun, uncooked); instant noodles; bean starch noodles (glass noodles, uncooked); sago; sago starch; sauce (condiments); curry paste; tomato sauce; chili sauce; seasoning; soya sauce; semolina; star aniseed; flour – milling products; salt, seasoning, flavouring & condiments; vinegar; herbs & spices mixes; nutmeg; sauce powder; spices extracts; seasoning mixes; curry powder; dry condiments; chocolate based drink; instant tea; instant coffee; processed corn; all included in class 30	Registered	11 February 2014 to 11 February 2024




6. INFORMATION ON OUR GROUP (Cont'd)

Design	Registered owner/ Trademark no.	Approving authority/ Place of application or registration	Class/ Description	Status	Validity period
	ACS/ 2013059904	MyIPO/ Malaysia	30/ Starch; corn starch; tapioca starch; wheat starch; sago starch; potato starch; rice; glutinous rice flour; processed grains; rice flour and goods made thereof; noodle; asian noodles; chinese noodles (uncooked); all included in class 30	Registered	19 September 2023 to 19 September 2033
	ACS/ 2013059913	MyIPO/ Malaysia	31/ Unprocessed beans; fresh soybean; raw beans; fresh beans; sesame; all included in class 31	Registered	19 September 2023 to 19 September 2033
	ACS/ TM2019002858	MyIPO/ Malaysia	29/ Cooking oil; processed onions; processed shallots; preserved shallots; onions, preserved; processed garlic; garlic, preserved; sesame oil; colza oil for food; corn oil; palm oil for food; nut oils; sunflower oil for food; anchovy, not live; dates; eggs; edible birds' nests; coconut oil and fat (for food); potato chips; condensed milk; milk products; mushrooms, preserved; prepared mushrooms; preserved peas; tuna fish; sea-cucumbers, not live; salted fish; sardines, not live; salmon, not live; shrimps, not live; processed peanuts; raisins; dried vegetables; preserved vegetables; canned fruits; pickles; sausages; all included in class 29	Registered	25 January 2019 to 25 January 2029

6. INFORMATION ON OUR GROUP (Cont'd)

Design	Registered owner/ Trademark no.	Approving authority/ Place of application or registration	Class/ Description	Status	Validity period
	ACS/ TM2019002860	MyIPO/ Malaysia	30/ Cooking salt; processed shallot for use as seasoning; processed garlic for use as seasoning; processed onion for use as seasoning; crackers; chips (cereal products); biscuits; edible ices; curry (spice); food flavourings, other than essential oils; turmeric for food; husked barley; maize flour; popcorn; pepper; potato flour; rice; glutinous rice; glutinous rice flour; chinese rice noodles (bifun, uncooked); instant noodles; bean-starch noodles; sago; sago starch; sauce (condiments); curry paste; tomato sauce; chili sauce; seasonings; soya sauce; semolina; star aniseed; flour; salts, seasonings, flavourings & condiments; vinegar; herbs & spice mixes; nutmegs; sauce powder; spice extracts; seasoning mixes; curry powder; dry condiments; chocolate-based drink; instant tea; instant coffee; processed corn; all included in class 30	Registered	25 January 2019 to 25 January 2029
POKOK AGRICORE	ACS/ 44083655	China National Intellectual Property Administration/ China	30/ Rice noodles (powder), sago, rice dumpling powder, raw glutinous rice flour, rice noodles (in strips), thickener for cooking food, edible starch, tapioca, fans (piece) and lotus root powder	Registered	14 November 2020 to 13 November 2030
	ACS/ 44088203	China National Intellectual Property Administration/ China	30/ Rice noodles (powder), sago, rice dumpling powder, raw glutinous rice flour, rice noodles (in strips), thickener for cooking food, edible starch, tapioca, fans (piece) and lotus root powder	Registered	14 November 2020 to 13 November 2030

6. INFORMATION ON OUR GROUP (Cont'd)

Design	Registered owner/ Trademark no.	Approving authority/ Place of application or registration	Class/ Description	Status	Validity period
	ACS/ IDM000413020	Directorate General of Intellectual Property (Ministry of Law and Human Rights of the Republic of Indonesia)/ Indonesia	30/ Corn starch, curry seasoning, flour for food, starch for food, rice starch, tapioca flour and vermicelli	Registered	7 December 2021 to 7 December 2031
	ACS/ IDM000438830	Directorate General of Intellectual Property (Ministry of Law and Human Rights of the Republic of Indonesia)/ Indonesia	29/ Curd beans, nuts, canned food (fruit), soy milk and tofu	Registered	28 December 2021 to 28 December 2031
	Bapas/ TM2020018523	MyIPO/ Malaysia	40/ Processing of foodstuffs for use in manufacture; processing of raw materials for the manufacture of food and beverages	Registered	26 August 2020 to 26 August 2030

6. INFORMATION ON OUR GROUP (Cont'd)

6.9 PROPERTY, PLANT AND EQUIPMENT

6.9.1 Properties owned by our Group

The summary of the material property owned by our Group as at LPD is set out below:

No.	Registered owner/ Postal address/ Title details	Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any)	Approximate land area/ Approximate built-up area sq ft	Date of purchase/ Date of CCC	Encumbrance	Audited NBV as at 31 December 2022 RM'000
(a)	ACS/ 1173, Jalan Perindustrian Bukit Minyak 2, Kawasan Perindustrian Bukit Minyak, 14100 Bukit Mertajam, Pulau Pinang/ Pajak Negeri No. Hakmilik 10910, Lot 20172, Mukim 13, Daerah Seberang Perai Tengah, Negeri Pulau Pinang	Double storey office, 3 units of single storey factory and one double storey factory/ Office, warehouse and factory/ Leasehold for 60 years expiring on 5 July 2072/ Industrial	115,852 / 77,514	11 August 2011 / 22 September 2015 ⁽¹⁾ , 18 December 2018 ⁽²⁾ and 8 April 2022 ⁽³⁾	(i) Charge in favour of Alliance Bank Malaysia Berhad registered on 13 February 2018 (ii) Charge in favour of Alliance Bank Malaysia Berhad registered on 18 November 2021	7,812

Notes:

- (1) The CCC is issued in relation to the construction of 2 units of single storey factory. Our Group had occupied the property since April 2014 after the completion of construction in September 2013 in anticipation of the issuance of the CCC. As at LPD, our Group has not been issued with any compounds or penalties in relation to the aforementioned non-compliance.
- (2) The CCC is issued in relation to the construction of 1 additional unit of single storey factory with double storey office.
- (3) The CCC is issued in relation to the alteration to the existing property and the construction of 1 additional unit of double storey factory.

The property owned by our Group is not in breach of any land use conditions, statutory requirements, land rules or building regulations/by-laws, which will have material adverse impact on our operations as at LPD. Our property has obtained all the necessary licenses and certificates.

6. INFORMATION ON OUR GROUP (Cont'd)

6.9.2 Properties rented by our Group

The summary of the material properties rented by our Group as at LPD are set out below:

No.	Postal address	Landlord/ Tenant	Description/ Existing use/ Expiry of lease (if any)/ Category of land use (if any)	Approximate land area/ Approximate built-up area sq ft	Date of CCC	Period of tenancy/ Rental per annum
(a)	No. 46, Lengkok IKS Simpang Empat 1, Taman IKS Simpang Empat, 14100, Simpang Ampat, Pulau Pinang	SHL Capital Sdn Bhd/ Bapas	Single storey detached factory together with a 3-storey office premises/ Factory (for fried shallots) and office/ Freehold/ None	14,090/ 6,240	23 January 2017	2 years commencing 1 November 2022 to 30 October 2024/ RM114,000 <u>Renewal period</u> 2 years commencing from 1 November 2024 until 31 October 2026

Our property is rented from non-related party. The property rented by our Group is not in breach of any other land use conditions, statutory requirements, land rules or building regulations/by-laws, which will have material adverse impact on our operations as at LPD.

6.9.3 Acquisition of properties

Our Group has not acquired nor entered into any agreements to acquire any properties during FYE 2020 to 2022 and up to LPD.

6. INFORMATION ON OUR GROUP (Cont'd)**6.9.4 Material capital expenditures and divestitures****(a) Material capital expenditures**

Save for the expenditures disclosed below, there were no other capital expenditures made by us for FYE 2020 to 2022 and up to LPD:

Capital expenditures	At cost			
	FYE 2020	FYE 2021	FYE 2022	1 January 2023 up to LPD
	RM'000	RM'000	RM'000	RM'000
Furniture, fittings and equipment	43	61	295	153
Motor vehicles	155	97	279	111
Plant and machinery ⁽¹⁾	522	71	790	1,281
Capital work-in-progress ⁽²⁾	51	1,435	1,307	-
	771	1,664	2,671	1,545

Notes:

- (1) For FYE 2020, relates mainly to 1 unit of packing machine, 3 units of forklifts, 1 unit of moisture analyser and 59 units of steel pallets.

For FYE 2022 and up to LPD, relates mainly to the expanded plant and machinery for the production of food additives, such as valve bag weighing machine, big bang powder packing machine, ribbon mixer, metal detector, air press conveyor, onion cutting machine, spin oil machine, fried onion machine, onion washing machine, onion peeling machine and platform and stainless steel buckets.

- (2) Relates mainly to the construction of Phase 3 comprising a double-storey factory to the existing warehouse on Bukit Minyak Premises as detailed in Section 6.5(c).

The above capital expenditures were primarily financed by a combination of bank borrowings and internally generated funds. Our capital expenditures are mainly driven by our business growth as well as for replacement purposes.

(b) Material capital divestitures

Save for the divestitures disclosed below, there were no other capital divestitures made by us for FYE 2020 to 2022 and up to LPD:

Capital divestitures	At cost			
	FYE 2020	FYE 2021	FYE 2022	1 January 2023 up to LPD
	RM'000	RM'000	RM'000	RM'000
Buildings	-	-	-	13
Motor vehicles ⁽¹⁾	-	273	570	32
Plant and machinery	-	-	5	7
	-	273	575	52

Note:

- (1) Relates to disposal of motor vehicles that are no longer in good condition or in use.

6. INFORMATION ON OUR GROUP (Cont'd)

All our capital divestitures were carried out in the ordinary course of business as part of the periodic review of our fixed asset register to identify and eliminate those assets which have been fully depreciated or no longer in use or obsolete or surpassed their useful lives.

As at LPD, other than the proposed utilisation of proceeds from our Public Issue for our capital expenditure as disclosed in Section 4.9, we do not have any material capital expenditures and divestitures currently in progress, within or outside Malaysia.

6.9.5 Key machinery and equipment

Details of our Group's key machinery and equipment are as follows:

Machinery and equipment	Remaining economic useful life	No. of units	No. of units fully depreciated	Audited NBV as at 31 December 2022
	Years			RM'000
Packing machine	5 to 9	5	-	539
Cold room	6 to 9	2	-	540
Solar photovoltaic system	6 to 8	2	-	458
Mixer machine	6	1	-	163
Fryer machine	3 to 4	2	-	26
Forklift	3 to 9	10	1	418
Weighing machine	9	1	-	41
Ribbon mixer	9	2	-	135
Metal detector	9	1	-	63
Dock leveler	9	1	-	52
Compressor	9	1	-	85
				2,520

We conduct periodic inspection and maintenance of our machinery and equipment and undertake certain repair works when necessary. Our maintenance procedures including oiling, corrosion prevention and cleaning. Machinery which is fully depreciated may not have surpassed its useful life. Although certain machinery and equipment are fully depreciated, they may still operate effectively. If the machinery is well maintained and can operate effectively and efficiently, it will not be disposed. Fully depreciated machinery are disposed when they cannot operate effectively, or are functionally obsolete.

6. INFORMATION ON OUR GROUP (Cont'd)

6.9.6 Material plans to construct, expand or improve our property, plant and equipment

Save for the proposed utilisation of proceeds from our Public Issue to finance the capital expenditure as set out in Section 4.9, our Group does not have any other immediate plans to construct, expand or improve our property, plant and equipment as at LPD.

6.10 RELEVANT LAWS, REGULATIONS, RULES OR REQUIREMENTS

The following is an overview of the major laws, regulations, rules and requirements governing the conduct of our Group's business and environmental issue which may materially affect our business operations:

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

The ICA 1975 provides for the co-ordination and orderly development of manufacturing activities in Malaysia, for the establishment of an Industrial Advisory Council and for other matters connected therewith or incidental thereto.

Pursuant to Section 3(1) of the ICA 1975, no person shall engage in any manufacturing activity unless he is issued a licence in respect of such manufacturing activity. Any person engaging in any manufacturing activity with a shareholders' fund of RM2.5 million and above or employing 75 or more full-time paid employees are required to apply for a manufacturing licence.

Failure to comply constitutes an offence and such person shall, on conviction, be liable to a fine not exceeding RM2,000 or to a term of imprisonment not exceeding 6 months and to a further fine not exceeding RM1,000 for every day during which such default continues.

As at LPD, our Group has obtained 2 manufacturing licences at the Bukit Minyak Premises and Simpang Empat Factory respectively, all of which are valid and subsisting.

(b) Control of Padi and Rice Act 1994 ("CPRA 1994")

The CPRA 1994 is an act which makes provisions in law relating to padi and rice and for other matters connected therewith. The Control of Padi and Rice (Licensing of Wholesalers and Retailers) Regulations 1996 ("**CPRA WR Licensing Regulations**") and Control of Padi and Rice (Licensing of Importers and Exporters) Regulations 1994 ("**CPRA IE Licensing Regulations**") are regulations made pursuant to the CPRA 1994.

Pursuant to Regulation 3 of the CPRA WR Licensing Regulations, no person shall sell rice by wholesale or retail except under a licence issued in accordance with regulation 4. Regulation 12 of the CPRA WR Licensing Regulations provides that any person who contravenes these Regulations or any of the conditions specified in the licence shall be guilty of an offence under Section 22 of the CPRA Act 1994.

Pursuant to Regulation 3 of the CPRA IE Licensing Regulations, no person shall import or export rice unless he is licensed to do so by the Director General for the control of padi and rice. Regulation 10 of the CPRA IE Licensing Regulations provides that a person who fails to comply with any of the provisions of these Regulations or any of the conditions specified in the licence shall be guilty of an offence under Section 22 of the CPRA Act 1994.

6. INFORMATION ON OUR GROUP (Cont'd)

Section 22 of the CPRA 1994 states that:

- (i) A person, other than a body corporate, but including a director or officer of a body corporate, who commits an offence under, or who fails to comply with, any of the provisions of the CPRA 1994 or any regulation made thereunder in respect of which no penalty is expressly provided for, shall, on conviction, be liable to a fine not exceeding RM15,000 or to imprisonment for a term not exceeding 2 years or to both, and for a second or subsequent offence, to a fine not exceeding RM25,000 or to imprisonment for a term not exceeding 5 years or to both; and
- (ii) A body corporate which commits an offence under, or fails to comply with, any of the provisions of the CPRA 1994 or any regulation made thereunder shall, on conviction, be liable to a fine not exceeding RM25,000 and, for a second or subsequent offence, to a fine not exceeding RM50,000.

As at LPD, our Group has obtained a wholesale licence, an import licence and an export licence pursuant to the CPRA 1994 and the relevant regulations, all of which are valid and subsisting.

(c) Control of Supplies Act 1961 ("CSA 1961")

The CSA 1961 is an act to provide for the control and rationing of supplies. The Control of Supplies Regulations 1961 ("**CS Regulations**") is a regulation made pursuant to the CSA 1961.

Pursuant to Regulation 3 of the CS Regulations, no person shall deal by wholesale or retail in any scheduled article or manufacture any scheduled article except under and in accordance with a licence issued under Regulation 4. The scheduled article includes sugar, cooking oil and wheat flour.

Pursuant to Regulation 18 of the CS Regulations, any person who carries on any trade or business, which in the course of the trade or business he uses or consumes cooking oil shall not have in his possession the quantity of cooking oil exceeding 12kg unless he has been authorized by way of a permit issued by the Controller of Supplies.

Section 22 of the CSA 1961 provides that:

- (i) Any person, other than a body corporate, but including a director or officer of a body corporate, who commits an offence against the CSA 1961 shall, on conviction, be liable to a fine not exceeding RM1,000,000 or to imprisonment for a term not exceeding 3 years or to both, and for a second or subsequent offence, to a fine not exceeding RM3,000,000 or to imprisonment for a term not exceeding 5 years or to both; and
- (ii) Any body corporate which commits an offence against the CSA 1961 shall, on conviction, be liable to a fine not exceeding RM2,000,000 and, for a second or subsequent offence, to a fine not exceeding RM5,000,000.

As at LPD, our Group has obtained a wholesale licence to deal by wholesale for sugar, cooking oil and wheat flour and a permit to store more than 12kg of cooking oil, all of which are valid and subsisting.

6. INFORMATION ON OUR GROUP (Cont'd)

(d) Food Act 1983 ("FA 1983")

The FA 1983 and Food Regulations 1985 ("**Food Regulations**") are laws governing food safety and quality control. The objective is to protect the public against health hazards and fraud in the preparation, sale and use of food, and for matters incidental thereto or connected therewith.

Section 15 of the FA 1983 provides that where a standard has been prescribed for any food, any person who prepares, packages, labels or advertises any food which does not comply with that standard, in such a manner that it is likely to be mistaken for food of the prescribed standard, commits an offence and is liable on conviction to imprisonment for a term not exceeding 3 years or to fine or to both.

Regulations 9 to 18E of the Food Regulations set out the regulations on labelling of food packaging that has to be adhered to. Regulation 397 of the Food Regulations provides that any person who contravenes or fails to comply with any provisions of the Food Regulations commits an offence and any person who commits an offence against the Food Regulations for which no penalty is provided by the FA 1983 shall, on conviction, be liable to a fine not exceeding RM10,000 or imprisonment for a term not exceeding 2 years.

Regulation 3 of the Food Hygiene Regulations 2009 requires all the following food premises to be registered, the non-compliance of which shall be an offence punishable with a fine not exceeding RM10,000 or imprisonment not exceeding 2 years:

- (i) All food premises involved in manufacturing of food;
- (ii) All food premises involved in food catering;
- (iii) All premises where food is prepared, processed, kept and served for sale; and
- (iv) All vehicles where food ready for consumption is sold.

As at LPD, our Group is in compliance with the relevant provisions under the FA 1983 and the regulations thereunder and our Group has obtained certificates of registration of food premises for the Bukit Minyak Premises and the Simpang Empat Factory, all of which are valid and subsisting.

(e) Trade Descriptions Act 2011 ("TDA 2011")

The TDA 2011 is an act for the purpose of promoting good trade practices by prohibiting false trade descriptions and false or misleading statements, conduct and practices in relation to the supply of goods and services, and by prohibiting, restricting or otherwise regulating or controlling the use of any statement, expression or indication which is likely to discriminate or boycott any product or goods or to discourage, forbid, hinder or influence any person from using or consuming any product or goods in the course of trade or business, and to provide for matters connected therewith or incidental thereto.

Section 16 of the TDA 2011 provides that no person shall make any false representation by any means, whether direct or indirect, that any goods or services supplied by him or any methods adopted by him are of a kind supplied to or approved by any person including any government or government department or agency or any international body or agency whether in Malaysia or abroad. Any person who contravenes Section 16 commits an offence and shall on conviction, be liable:

6. INFORMATION ON OUR GROUP (Cont'd)

- (i) if such person is a body corporate, to a fine not exceeding RM500,000 and for a second or subsequent offence, to a fine not exceeding RM1,000,000; or
- (ii) if such person is not a body corporate, to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 3 years or to both and for a second or subsequent offence, to a fine not exceeding RM500,000 or to imprisonment for a term not exceeding 5 years or to both.

Pursuant to Regulation 4(1) of the Trade Descriptions (Certification and Marking of Halal) Order 2011 ("**Trade Halal Cert Order**"), all food and goods shall not be described as Halal or be described in other expression to indicate that the food or goods can be consumed or used by a Muslim unless it is certified as Halal by the competent authority and marked with the logo as specified in the First Schedule of the Trade Halal Cert Order.

Pursuant to Regulation 8 of the Trade Halal Cert Order, any person who supplies or offers to supply any food, goods or services in relation to the food or goods, in contravention of this Order, commits an offence and shall, on conviction, be liable:

- (i) if such person is a body corporate, to a fine not exceeding RM200,000, and for a second or subsequent offence, to a fine not exceeding RM500,000; or
- (ii) if such person is not a body corporate, to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 3 years or to both, and for a second or subsequent offence, to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 5 years or to both.

As at LPD, our Group is in compliance with the relevant provisions under the TDA 2011 and the regulations thereunder and our Group has obtained Halal certifications for its products which are described as Halal.

(f) Biosafety Act 2007 ("BSA 2007")

The BSA 2007 regulates the release, importation, exportation and contained use of living modified organisms, and the release of products of such organisms.

Section 12(1) of the BSA 2007 provides that no person shall undertake any release activity, or any importation of living modified organisms, or both (known as an "**event**") without the prior approval of the National Biosafety Board. In this regard, the events undertaken by our Group fall within the list of approved events by the National Biosafety Board.

"Release activity" is defined to mean any intentional introduction of living modified organisms or products of such organisms into the environment through the activities or for the purposes specified in the Second Schedule, one of which is the supply or offer to supply for sale or placing on the market. "Living modified organisms" is defined to mean any living organism that possesses a novel combination of genetic material obtained through the use of modern biotechnology.

Section 12(2) of the BSA 2007 provides that any person who contravenes subsection (1) commits an offence and shall, on conviction, be liable:

- (i) where such person is an individual, to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 5 years or to both and, in the case of a continuing offence, to a further fine not exceeding RM10,000 for each day during which the offence continues after conviction;

6. INFORMATION ON OUR GROUP (Cont'd)

- (ii) where such person is a body corporate, to a fine not exceeding RM500,000 and, in the case of a continuing offence, to a further fine not exceeding RM20,000 for each day during which the offence continues after conviction.

As at LPD, our Group is in compliance with the relevant provisions under the BSA 2007.

(g) Local Government Act 1976 ("LGA 1976")

The LGA 1976 empowers every local authority to grant licence or permit for any trade, occupation or premise through by-laws. Every licence or permit granted shall be subject to such conditions and restrictions as the local authority may think fit and shall be revocable by the local authority at any time without assigning any reason therefor.

Our Group's business falls under the jurisdiction of the Seberang Perai City Council ("**MBSP**"). The relevant by-laws governing the conduct of our Group's business would be the Licensing Payment (Seberang Perai City Council) By-Laws 1980 ("**By-Laws 1980**") and the Licensing of Advertisements (Seberang Perai City Council) By-Laws 2001 ("**By-Laws 2001**").

By-Laws 1980 provides that it is an offence for a person to operate any business activity falling under Schedule 1 without a valid licence issued by MBSP. Any person who contravenes any provision of the By-Laws 1980 commits an offence and shall, on conviction be liable to a fine not exceeding RM2,000 or to a term of imprisonment not exceeding 1 year or to both such fine and imprisonment.

By-Laws 2001 establishes that no person shall exhibit or cause or permit to be exhibited any advertisement without a license issued by the MBSP. Any person who contravenes any of the provision of the By-Laws 2001 shall be guilty of an offence and shall upon conviction be liable to a fine not exceeding RM2,000 or to a term of imprisonment not exceeding 1 year or to both such fine and imprisonment.

As at LPD, our Group holds and maintains valid business premises licences for all our operating business premises in Malaysia as well as signboard licences for all premises with external signboards.

(h) Employment Act 1955 ("EA 1955")

The EA 1955 regulates all labour related matters including contracts of service, payment of wages, employment of women, maternity protection, rest days, hours of work, holidays, termination, lay-off and retirement benefits, employment of foreign employees and keeping of registers of employees.

Any person who commits any offence under, or contravenes any provision of the EA 1955, or any regulations, order or other subsidiary legislation whatsoever made thereunder, in respect of which no penalty is provided, shall be liable, on conviction, to a fine not exceeding RM50,000.

As at LPD, our Group complies with the relevant requirements under the EA 1955.

(i) Factories and Machineries Act 1967 ("FMA 1967")

The FMA 1967 and the relevant regulations made thereunder, including the Factories and Machinery (Notification, Certificate of Fitness and Inspection) Regulations 1970 provide for the control of factories with respect to matters relating to the safety, health and welfare of persons in the factories, the registration and inspection of machinery and other matters connected therewith.

6. INFORMATION ON OUR GROUP (Cont'd)

Section 19 of the FMA 1967 states that no person shall operate or cause or permit to be operated any machinery in respect of which a certificate of fitness is prescribed, unless there is a valid certificate of fitness issued under the FMA 1967 in relation to the operation of the machinery. Any person who contravenes this provision shall be served with a notice in writing prohibiting the operation of such machinery or may render such machinery inoperative until such time as a valid certificate of fitness is issued. In addition, such person shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM150,000 or to imprisonment for a term not exceeding 3 years or to both.

As at LPD, our Group is in compliance with the relevant provisions under the FMA 1967 and we have obtained valid certificates of fitness for the operation of our machineries that require certifications under the FMA 1967.

(j) Occupational Safety and Health Act 1994 ("OSHA 1994")

The OSHA 1994 regulates the safety, health and welfare of persons at work, to protect others against risks to safety or health in connection with the activities of persons at work, as well as to promote an occupational environment for persons at work.

Pursuant to Section 16 of the OSHA 1994, it is the duty of every employer to prepare and as often as may be appropriate revise a written statement of his general policy with respect to the safety and health at work of his employees and the organization and arrangements for the time being in force for carrying out that policy, and to bring the statement and any revision of it to the notice of all of his employees. An employer who contravenes this provision shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 2 years or to both.

Section 29 of the OSHA 1994 requires an occupier of a place of work to which this section applies to employ a competent person to act as a safety and health officer at the place of work. An occupier who contravenes the provisions of this section shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM5,000 or to a term of imprisonment not exceeding 6 months or to both. The employer of the class or description of industries that shall employ a safety and health officer can be found under Order 3 of the Occupational Safety and Health (Safety and Health Officer) Order 1997, which include any boiler and pressure vessel manufacturing activity employing more than a hundred employees.

In addition, Section 30 of the OSHA 1994 provides that every employer shall establish a safety and health committee at the place of work if there are 40 or more persons employed at the place of work or the Director General of DOSH directs the establishment of such a committee at the place of work. A person who contravenes this provision shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM5,000 or to imprisonment for a term not exceeding 6 months or to both.

As at LPD, our Group is in compliance with the relevant provisions under the OSHA 1994.

6. INFORMATION ON OUR GROUP (Cont'd)

(k) Environmental Quality Act 1974 ("EQA 1974")

The EQA 1974 sets out provisions in respect of prevention, abatement, control of pollution and enhancement of the environment.

Under the EQA 1974, no person shall, unless licensed:

- (i) emit or discharge any environmentally hazardous substances, pollutants or wastes into the atmosphere;
- (ii) pollute or cause or permit to be polluted any soil or surface of any land; or
- (iii) emit, discharge or deposit any environmentally hazardous substances, pollutants or wastes into any inland waters;

in contravention of the acceptable conditions specified under the EQA 1974.

Any person who contravenes the above shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a period not exceeding 5 years or to both and to a further fine not exceeding RM500 a day for every day that the offence is continued after a notice by the Director General of Environmental Quality requiring him to cease the act specified therein has been served upon him.

Notwithstanding the above provisions of the EQA 1974, Schedule 1 of the Environmental Quality (Industrial Effluent) Regulations ("**EQIER 2009**") provides a list of discharges which is exempted from the said provisions which include, amongst others, processing, manufacturing, washing or servicing of any other products or goods that produce effluent of less than 60 cubic metres (13,000 imperial gallons) per day. As the water used by our Group for cleaning purposes produces effluent of less than 60 cubic metres (13,000 imperial gallons) per day, our Group is in compliance with the EQIER 2009.

The Environmental Quality (Clean Air) Regulations 2014 ("**EQCAR 2014**") imposes an obligation on the owner or occupier of premises to give prior written notification to the Director General no less than thirty days before commencement of work on any premises that may result in a source of emission. The EQCAR 2014 also states that every premises shall be equipped with an air pollution control system in accordance with the specifications as determined by the Director General. Any person who fails to comply shall be guilty of an offence and shall be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 2 years or to both.

As at LPD, our Group complies with the relevant provisions of the EQA 1974 and the regulations thereunder.

6. INFORMATION ON OUR GROUP (Cont'd)

(l) Fire Services Act 1988 ("FSA")

The FSA provides for the effective and efficient functioning of the Fire and Rescue Department of Malaysia, for the protection of persons and property from fire risks or emergencies and for purposes connected therewith.

Pursuant to Sections 28 of the FSA, every designated premises shall require a fire certificate and a fire certificate shall be renewable annually. The premises of which the use, size and location as set out in the schedule of the Fire Services (Designated Premises) Order 1998 shall be designated premises for the purpose of issuance of a fire certificate under the FSA. Such designated premises include:

- Offices : 30 metres and above in height or 10,000 square metres and over (total floor area)
- Factories : (i) Single storey and above – 2,000 square metres and over (total floor area) where the automatic sprinkler systems are installed
- (ii) 2 storeys and above – 2,000 square metres and over (total floor area) where the automatic sprinkler systems are installed
- (iii) Special structure – Hazardous processes

Under the FSA, where there is no fire certificate in force in respect of any designated premises, the owner of the premises shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 5 years or to both.

As at LPD, our Group has obtained a fire certificate for our Bukit Minyak Premises which remains valid and subsisting. The Simpang Empat Factory does not require a fire certificate as it does not fall within the definition of "designated premise" under the FSA.

(m) Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 ("EMSH 1990")

The EMSH 1990 prescribes the minimum standards of housing, nurseries and accommodation for employees (and their dependents, if applicable) as well as health, hospital, medical and social amenities to be provided by the employers to their employees.

Pursuant to the EMSH Regulations, employers are required to provide accommodation to foreign employees with a Visit Pass (Temporary Employment) issued under Regulation 11 of the Immigration Regulations 1963.

Section 24D of the EMSH 1990 states that no accommodation shall be provided to an employee unless certified with a Certificate for Accommodation ("**CFA**"). An employer who contravenes this provision commits an offence and shall, on conviction, be liable to a fine not exceeding RM50,000 per unit of workers' accommodation.

As at LPD, our Group has entered into a service agreement with Kellie Ooi Enterprise dated 12 February 2023 to provide accommodation to our foreign employees at 31, Jalan Perwira, Taman Perwira, 14100, Simpang Ampat, Pulau Pinang. The CFA was issued to ACS on 14 March 2023 and is valid and subsisting.

6. INFORMATION ON OUR GROUP (Cont'd)

(n) Street, Drainage and Building Act 1974 ("SDBA")

The SDBA is implemented by the local authorities of Peninsular Malaysia and it stipulates that every building or part of a building must have a CCC or Certificate of Fitness for Occupation ("CFO") before it may be occupied.

Under the Uniform Building By-Laws 1984 ("UBBL") which was issued pursuant to the SDBA, a CCC will only be issued by the local authority upon receipt of certification in relevant forms by a qualified person i.e. an architect, registered building draughtsman or engineer. To the best of their knowledge, a qualified person must be satisfied that: (i) the relevant building has been constructed in accordance with UBBL; (ii) any conditions imposed by the local authority have been satisfied; (iii) all essential services have been provided; and (iv) responsibilities have been accepted for the portions that are being concerned with.

Pursuant to the SDBA, a person who occupies a premise without a CCC or CFO is subject to a fine of up to RM250,000, imprisonment for a term of up to 10 years, or both.

Our Group occupied the Bukit Minyak property since April 2014 (after the completion of the construction of 2 units of single storey factory in September 2013) prior to the issuance of its first CCC on 22 September 2015 as detailed in Section 6.9.1. Upon issuance of the first CCC, such non-compliance was rectified. Our Group has also obtained CCCs for subsequent extensions on 18 December 2018 and 8 April 2022 respectively. Furthermore, our Group has not been issued with any compounds or penalties in relation to the non-compliance.

As at LPD, our Group's owned and rented properties have a record of validly obtained CCC.

(o) Malaysian Quarantine and Inspection Services Act 2011 ("MAQIS")

The MAQIS is an act for the purpose of providing integrated services relating to quarantine, inspection and enforcement at the entry points, quarantine stations and quarantine premises and certification for import and export of plants, animals, carcasses, fish, agricultural produce, soils and microorganisms and includes inspection of and enforcement relating to food and for matters connected to it.

Section 11 of MAQIS provides amongst others that no person shall import or export any agricultural produce (any product from plant, animal, carcass or fish, whether processed or otherwise) without a permit, licence or certificate issued under this Act. The agricultural produce which require an import or export permit (as the case may be) under MAQIS is set out in the Customs (Prohibition of Import) Order 2023 (previously Customs (Prohibition of Import) Order 2017 which has since been revoked) and the Customs (Prohibition of Export) Order 2023 (previously Customs (Prohibition of Export) Order 2017 which has since been revoked).

Pursuant to MAQIS, any person who is involved in the importation and exportation of any agricultural produce who contravenes this section commits an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 6 years or to both and, for a second or subsequent offence to a fine not exceeding RM150,000 or to imprisonment for a term not exceeding 7 years or to both.

Our Group complies with the provisions of MAQIS and has obtained the relevant permits under MAQIS for the import and export of the relevant products.

6. INFORMATION ON OUR GROUP (Cont'd)

6.11 ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRACTICES

Our Group has implemented, and is in the midst of implementing, the following practices:

(a) Environmental

Our Group believes in preserving and caring for the environment by adopting sustainable practices in our business activities. The measures that we have taken or plan to take (as the case may be) include the following:

(i) Carbon footprint

We have installed solar panels to generate electricity from sunlight, at the Bukit Minyak Premises, recognising that solar power is a renewal energy source which reduces carbon footprint from our operations. The installed power capacity is 268 kilowatt peak. The power generated is used in our operations, and the surplus is fed into the grid of Tenaga Nasional Berhad.

Further, we proactively addressed carbon footprint reduction by using electric-powered forklifts (previously gas-powered) in our warehousing activities. As at LPD, 10 units of our forklifts are electric-powered. This switch not only contributes to a safer work environment for our employees but also eliminates on-site emissions, demonstrating our commitment to sustainability.

We encourage our employees to adopt energy-saving practices in our workplace, such as turning off light switches and equipment when not in use. We also set our air conditioners to a comfortable and optimal temperature range of 24 degree Celcius to 26 degree Celcius. This helps us to avoid wasting electricity and reduce the impact to environment.

(ii) Water management

Bapas had switched from "water peeling" to "dry peeling" for our shallot peeling process. This helps us to save water and minimise water wastage as dry peeling machines use air pressure instead of water to peel the shallots.

To further manage the water consumption, we are considering installing a rainwater harvesting system. This initiative would enable the use of properly treated rainwater in our Group's operation, thereby reducing our water consumption.

(iii) Air quality management

Our factory buildings are built in compliance with the standards from the Department of Environment Malaysia. Air pollution control systems are installed in the production facilities to comply with the regulations of the Department of Environment Malaysia.

6. INFORMATION ON OUR GROUP (Cont'd)

(b) Social

Our Group is committed to act responsibly to all our stakeholders in our business operations as well as to the community in which we operate in. Our Group's efforts in fulfilling our social sustainability are as follows:

(i) Occupational health and safety

Our Group observes the requirements of Jabatan Keselamatan dan Kesihatan Pekerjaan Malaysia. Our employees have completed the Occupational Safety and Health Awareness training. The training is important in helping our employees to familiarise themselves with the safety and health practices of our Group and preparing them to handle emergency situations. We provide personal protective equipment to employees based on their roles and task assigned.

(ii) Labour practices and standards

Our Group values the contribution of all our employees and takes every step to comply with the EA 1955 and other relevant statutory obligations. Our Group's human resource policy covers every facet of employment-related statutes and provides guidance for the human resource practices of our Group. Some of the policies that we have implemented include flexible working arrangements and gender diversity.

(iii) Halal certifications

Our products as well as production facilities and processes have also been inspected and certified to be in compliant with the Halal standards, which allow us to manufacture and distribute Halal-certified products to cater to the Halal market. To ensure full compliance with the terms and conditions, all our employees have undergone Halal awareness training. Employees involved in the production areas must observe the Halal sanitary procedures and attend food handling courses.

(iv) Food safety and quality

Our production facilities and processes for food additives in our Bukit Minyak Premises have also been certified compliant with the internationally recognised HACCP System and GMP System.

We obtain Certificates of Analysis from our suppliers prior to product shipment to ensure the products are in accordance with our specifications and quality standards.

We ensure that our product labels are accurate, clear and in compliance with the relevant regulatory requirements. Proper product labels provide important information on a product such as ingredients and product safety information, and they serve to build consumer trust in our products. Our Group values feedback from consumers and stakeholders and continues to improve and innovate our products to meet their needs.

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

Our Group is committed to conduct our business ethically and in compliance with all relevant laws, regulations, rules and requirements as disclosed in Section 6.10. In maintaining high standards of corporate governance, our Board has progressively adopted all the applicable principles and practices as promulgated in the MCCG particularly on embracing board gender diversity.

In addition, our Group has adopted a zero-tolerance policy towards bribery where we have put in place the policies and procedures to ensure strict compliance with the Malaysian Anti-Corruption Commission Act 2009. In relation to our Group's risk management, our Group has put in place a risk management framework to monitor closely on the risk associated with our Group's business as well as the Whistleblowing Policy and Personal Data Protection Policy to ensure and promote fairness in business dealings.

Our Group will continue to innovate in the way we conduct our business and offer new products. We are progressively introducing information technology in our operations, one of which is the sales management system. The system allows our sales and marketing team to respond to customers' enquiry expeditiously. In the area of product development, we have invested in and will continue to invest in our R&D function. We believe that our strength in R&D will be one of the key drivers for our business success and sustainability.

6.12 EMPLOYEES

As at LPD, we have a total workforce of 99 employees. Save for foreign employees, all of whom carry valid working permits, all our employees are hired on a permanent basis.

The breakdown of our employees as at 31 December 2022 and LPD are as follows:

	No. of employees			
	As at 31 December 2022		LPD	
	Local	Foreign	Local	Foreign
As at 31 December 2022				
Executive Directors ⁽¹⁾	1	-	1	-
Key senior management	4	-	4	-
Accounting and finance	6	-	7	-
Human resource and administrative	5	-	5	-
Logistics	7	-	8	-
Procurement	2	-	2	-
Sales and marketing	7	-	7	-
Warehouse and production	27	11	32	22
QA&QC	4	-	7	-
R&D	3	-	4	-
Production planner	2	-	-	-
Total	68	11	77	22

Note:

⁽¹⁾ Includes the executive director of our subsidiaries.

There were no significant changes in the number of employees of our Group from 31 December 2022 up to LPD.

None of our employees belong to any labour union and over FYE 2020 to 2022 and up to LPD, there has been no labour dispute between our management and our employees. Additionally, over FYE 2020 to 2022 and up to LPD, there has not been any incident of work stoppage that has materially affected our operations.