

6. INFORMATION ON OUR GROUP

6.1 INFORMATION ON OUR GROUP

6.1.1 Our Company

Our Company was incorporated in Malaysia on 23 June 2023 under the Act as a private company limited by shares under the name of Sik Cheong Sdn Bhd. On 20 December 2023, our Company was converted into a public limited company and assumed our present name. Our Company is an investment holding company and was incorporated to facilitate our Listing.

Through our Subsidiaries, our Group's principal business activities include:

- (i) investment holding;
- (ii) repackaging, marketing and distribution of edible oil and other food products; and
- (iii) distribution of lamp oil and other trading products.

There have been no material changes in the manner in which we conduct our business or activities since the incorporation of our Company up to the LPD.

6.1.2 Details of Acquisitions

In conjunction with our Listing, our Company has entered into the following conditional share sale agreements with the following vendors in respect of the Acquisitions on 6 December 2023:

(i) Acquisition of SCEO

On 6 December 2023, our Company entered into a share sale agreement to acquire the entire issued share capital of SCEO of RM400,000 comprising 400,000 ordinary shares for a purchase consideration of RM19,449,982.08. The purchase consideration was fully satisfied by the issuance of 194,889,600 new Shares at an issue price of RM0.0998 per Share. Details of the vendors of SCEO and the number of Shares issued to them under the Acquisition of SCEO are as follows:

Vendors of SCEO	No. of shares acquired	% of share capital	Purchase consideration (RM)	No. of Sik Cheong Shares issued
Wong Hing Ngiap	200,000	50.00	9,724,991.04	97,444,800
Wong Hin Loong	200,000	50.00	9,724,991.04	97,444,800
Total	400,000	100.00	19,449,982.08	194,889,600

The Acquisition of SCEO was conditional upon the approval of Bursa Securities being obtained for the Listing, which was obtained on [•]. The Acquisition of SCEO was subsequently completed on [•]. Thereafter, SCEO became our wholly-owned subsidiary. The total purchase consideration of RM19,449,982.08 was arrived at on a willing buyer-willing seller basis and after taking into account the audited NA of SCEO as at 31 March 2023 of RM19,449,643.

The new Shares issued under the Acquisition of SCEO 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.

6. INFORMATION ON OUR GROUP (CONT'D)**(ii) Acquisition of SCSM**

On 6 December 2023, our Company entered into a share sale agreement to acquire the entire issued share capital of SCSM of RM20,000 comprising 20,000 ordinary shares for a purchase consideration of RM510,007.94. The purchase consideration was fully satisfied by the issuance of 5,110,300 new Shares at an issue price of RM0.0998 per Share. Details of the vendors of SCSM and the number of Shares issued to them under the Acquisition of SCSM are as follows:

Vendors of SCSM	No. of shares acquired	% of share capital	Purchase consideration (RM)	No. of Sik Cheong Shares issued
Wong Hing Ngiap	2,000	10.00	51,000.79	⁽¹⁾ 515,150
Wong Hin Loong	2,000	10.00	51,000.79	⁽²⁾ 515,150
Choo Wai Yeen	8,000	40.00	204,003.18	⁽¹⁾ 2,040,000
Wong Cheng Jian	8,000	40.00	204,003.18	⁽²⁾ 2,040,000
Total	20,000	100.00	510,007.94	5,110,300

Notes:

- (1) Choo Wai Yeen has nominated her spouse, Wong Hing Ngiap to receive the 4,120 new Shares as part of the consideration for the Acquisition of SCSM.
- (2) Wong Cheng Jian has nominated his father, Wong Hin Loong to receive the 4,120 new Shares as part of the consideration for the Acquisition of SCSM.

The Acquisition of SCSM was conditional upon the approval of Bursa Securities being obtained for the Listing, which was obtained on [•]. The Acquisition of SCSM was subsequently completed on [•]. Thereafter, SCSM became our wholly-owned subsidiary. The total purchase consideration of RM510,007.94 was arrived at on a willing buyer-willing seller basis and after taking into account the audited NA of SCSM as at 31 March 2023 of RM509,306.

The new Shares issued under the Acquisition of SCSM 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.

6.1.3 Share capital and changes in share capital

As at the LPD, our issued share capital is RM19,960,090 comprising 200,000,000 Shares.

Details of the changes in our issued share capital since incorporation are as follows:

Date of allotment	No. of Shares allotted	Nature of transaction	Consideration	Cumulative issued share capital (RM)
23 June 2023	100	Subscribers' shares	RM100.00	100.00
[•]	199,999,900	Consideration for the Acquisitions	RM19,959,990.02	19,960,090.02

6. INFORMATION ON OUR GROUP (CONT'D)

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

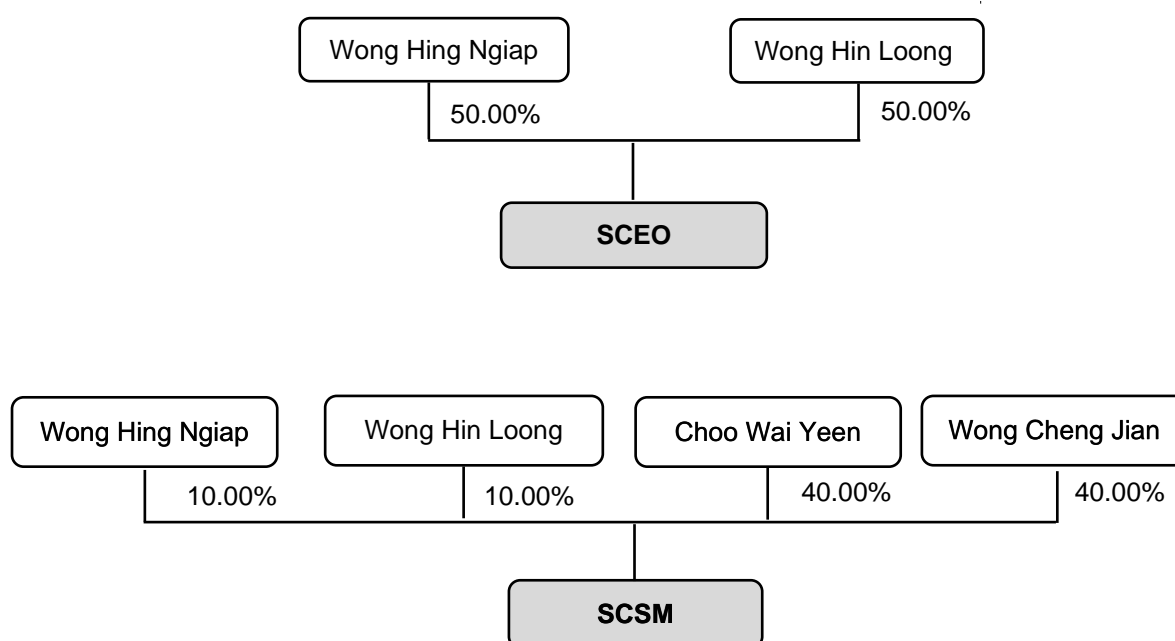
As at the LPD, we do not have any outstanding warrants, options, convertible securities and uncalled capital.

Upon completion of our Listing, our enlarged share capital will increase to RM[•] comprising 266,000,000 Shares.

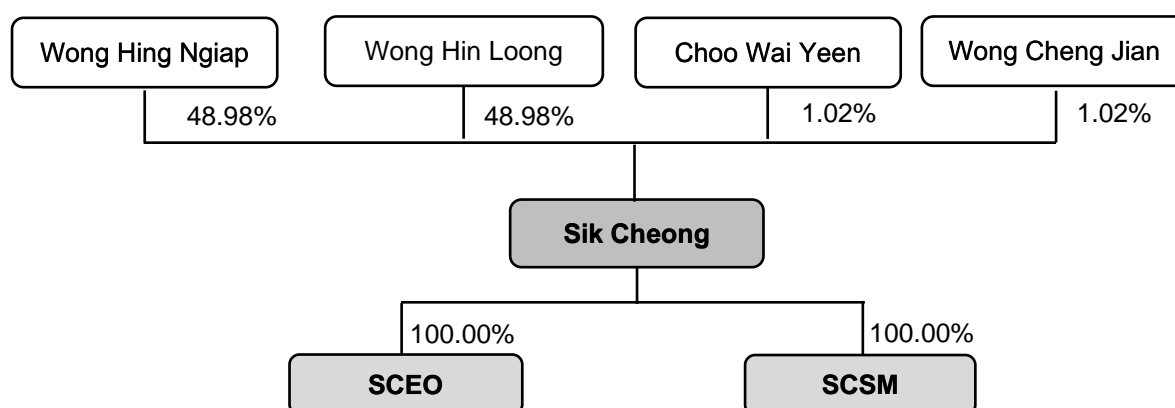
6.1.4 Our Group structure

- (i) Our Group's structure before the Acquisitions, after the Acquisitions and as at the LPD, and after our IPO is illustrated below:-

Before the Acquisitions

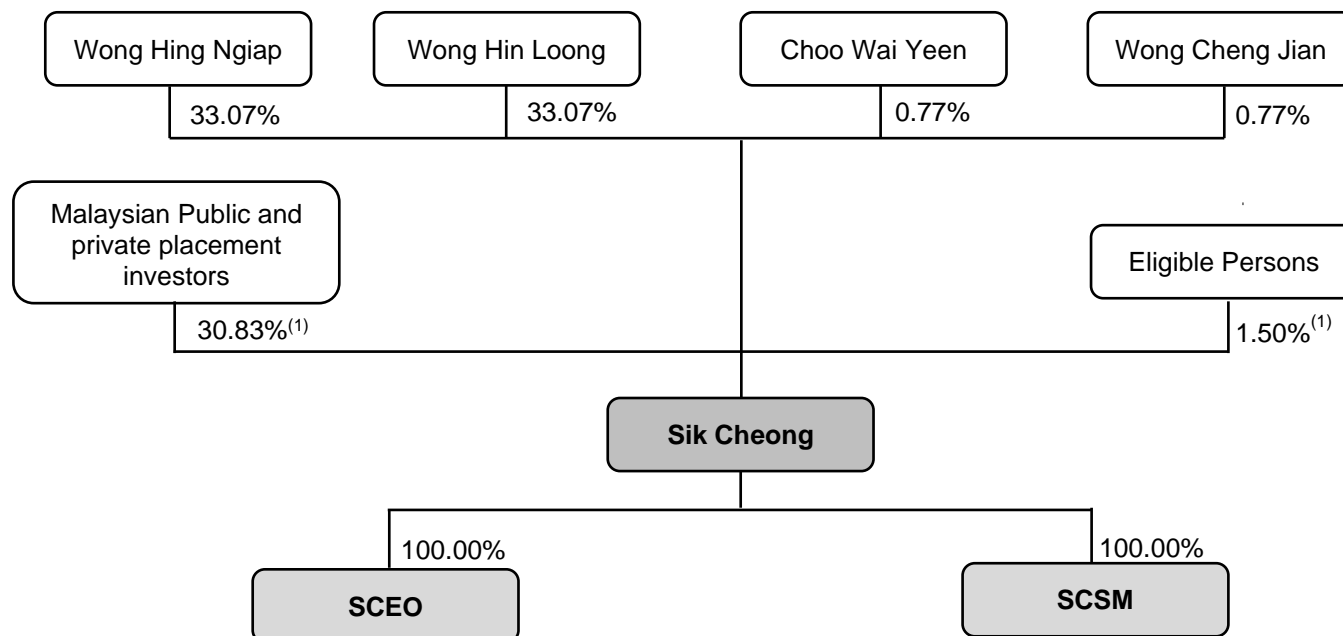


After the Acquisitions but before our IPO



6. INFORMATION ON OUR GROUP (CONT'D)

After our IPO



Note:

(1) Based on our enlarged issued share capital of 266,000,000 Shares after our IPO.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

6. INFORMATION ON OUR GROUP (CONT'D)

(ii) Details of the companies within our Group are set out below:

Companies within our Group	Date and place of incorporation	Principal place of business	Issued share capital (RM)	Effective equity interest (%)	Principal activities
SCEO	18 April 1992 Malaysia	Malaysia	400,000	100.00	Repackaging, marketing and distribution of edible oil and other food products
SCSM	8 October 2019 Malaysia	Malaysia	20,000	100.00	Distribution of lamp oil and other trading products

Further details on our Subsidiaries are set out in Section 6.2 of this Prospectus. As at the LPD, we do not have any associate or joint venture companies.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

6. INFORMATION ON OUR GROUP (CONT'D)**6.2 INFORMATION ON OUR SUBSIDIARIES****6.2.1 SCEO****(i) Background and history**

SCEO was incorporated in Malaysia on 18 April 1992 under the Companies Act 1965 as a private limited company under the name of Sik Cheong Trading Sdn Bhd and is deemed registered under the Act. It assumed its present name on 16 June 2004.

(ii) Share capital

As at the LPD, the issued share capital of SCEO is RM400,000 comprising 400,000 shares.

Details of the changes in the issued share capital of SCEO since incorporation are as follows:

Date of allotment	No. of shares allotted	Nature of transaction	Consideration (RM)	Cumulative issued share capital (RM)
18 April 1992	2	Subscribers' shares	2	2
23 April 1997	99,998	Cash	99,998	100,000
10 September 1997	90,000	Cash	90,000	190,000
28 July 2005	110,000	Cash	110,000	300,000
28 August 2006	100,000	Cash	100,000	400,000

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

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

(iii) Substantial shareholder and directors

As at the LPD, SCEO is our wholly-owned subsidiary. The directors of SCEO are Wong Hing Ngiap and Wong Hin Loong.

(iv) Subsidiary and associate

As at the LPD, SCEO does not have any subsidiary or associate/joint venture company.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

6. INFORMATION ON OUR GROUP (CONT'D)**6.2.2 SCSM****(i) Background and history**

SCSM was incorporated in Malaysia on 8 October 2019 under the Act as a private limited company under its present name.

(ii) Share capital

As at the LPD, the issued share capital of SCSM is RM20,000 comprising 20,000 shares.

Details of the changes in the issued share capital of SCSM since incorporation are as follows:

Date of allotment	No. of shares allotted	Nature of transaction	Consideration (RM)	Cumulative issued share capital (RM)
8 October 2019	100	Subscribers' shares	100	100
7 September 2020	19,900	Cash	19,900	20,000

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

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

(iii) Substantial shareholder and directors

As at the LPD, SCSM is our wholly-owned subsidiary. The directors of SCSM are Wong Hing Ngiap, Wong Hin Loong, Choo Wai Yeen and Wong Cheng Jian.

(iv) Subsidiary and associate

As at the LPD, SCSM does not have any subsidiary or associate/joint venture company.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

6. INFORMATION ON OUR GROUP (CONT'D)**6.3 LOCATIONS OF OPERATIONS**

As at the LPD, our Group operates from the following premises in Selangor:

Company	Operational facilities	Main functions	Location of facilities (Address)
SCEO	Factory No. 11	Management office, packaging, distribution and storage of the RBD palm olein cooking oil supplies and products	No. 11, Jalan 6/14, Kampung Tasek Tambahan, 68000 Ampang, Selangor Darul Ehsan
SCSM	Lamp oil labelling line (in a shop lot near to Factory No. 11)	Labelling and storing of the lamp oil	No. 33G, Jalan 6/10, Kampung Tasek Tambahan, 68000 Ampang, Selangor Darul Ehsan

Please refer to Section 7.19 of this Prospectus for further information of our Group's material lands and buildings.

6.4 PUBLIC TAKE-OVERS

During the last financial year and up to the LPD, there were no:

- (i) public take-over offers by third parties in respect of our Group's shares; and
- (ii) public take-over offers by our Group in respect of other companies' shares.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]