NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF FARM FRESH BERHAD *(FORMERLY KNOWN AS THE HOLSTEIN MILK COMPANY SDN BHD)* ("FARM FRESH" OR "COMPANY") DATED 28 FEBRUARY 2022 ("ELECTRONIC PROSPECTUS")

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

Website

The Electronic Prospectus can be viewed or downloaded from Bursa Malaysia Securities Berhad's ("**Bursa Securities**") website at www.bursamalaysia.com ("**Website**").

Availability and Location of Printed Prospectus

Any applicant in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request a paper/printed copy of the Prospectus directly from the Company or the Issuing House, Tricor Investor & Issuing House Services Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus, subject to availability, from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

Prospective applicants should note that the application forms are not available in electronic format.

Jurisdictional Disclaimer

The IPO and the distribution of the Electronic Prospectus are subject to the laws of Malaysia. The Electronic Prospectus will not be distributed outside Malaysia. Bursa Securities, the Company, the Promoters, the Selling Shareholders, the Sole Principal Adviser, the Joint Global Coordinators, the Joint Bookrunners, the Joint Managing Underwriters and the Joint Underwriters named in the Electronic Prospectus have not authorised and take no responsibility for the distribution of the Electronic Prospectus outside Malaysia. No action has been taken to permit any offering of the IPO Shares based on the Electronic Prospectus in any jurisdiction other than Malaysia. The Electronic Prospectus may not be used for the purpose of and does not constitute an offer for the subscription or purchase of, or an invitation to subscribe for or purchase, the IPO Shares to any person outside Malaysia or in any jurisdiction or in any circumstance in which such an offer is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation. Prospective applicants who may be in possession of the Electronic Prospectus are required to take note, to inform themselves, and to observe such restrictions.

This document is not an offer for sale of the IPO Shares in the United States or anywhere other than Malaysia. The IPO Shares may not be offered or sold in or into the United States unless under an exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act of 1933, as amended, and any applicable state securities laws. The Company does not intend to register any portion of the offering in the United States or to conduct a public offering of its securities in the United States or in any other jurisdiction where such an offering is restricted or prohibited.

Close of Application

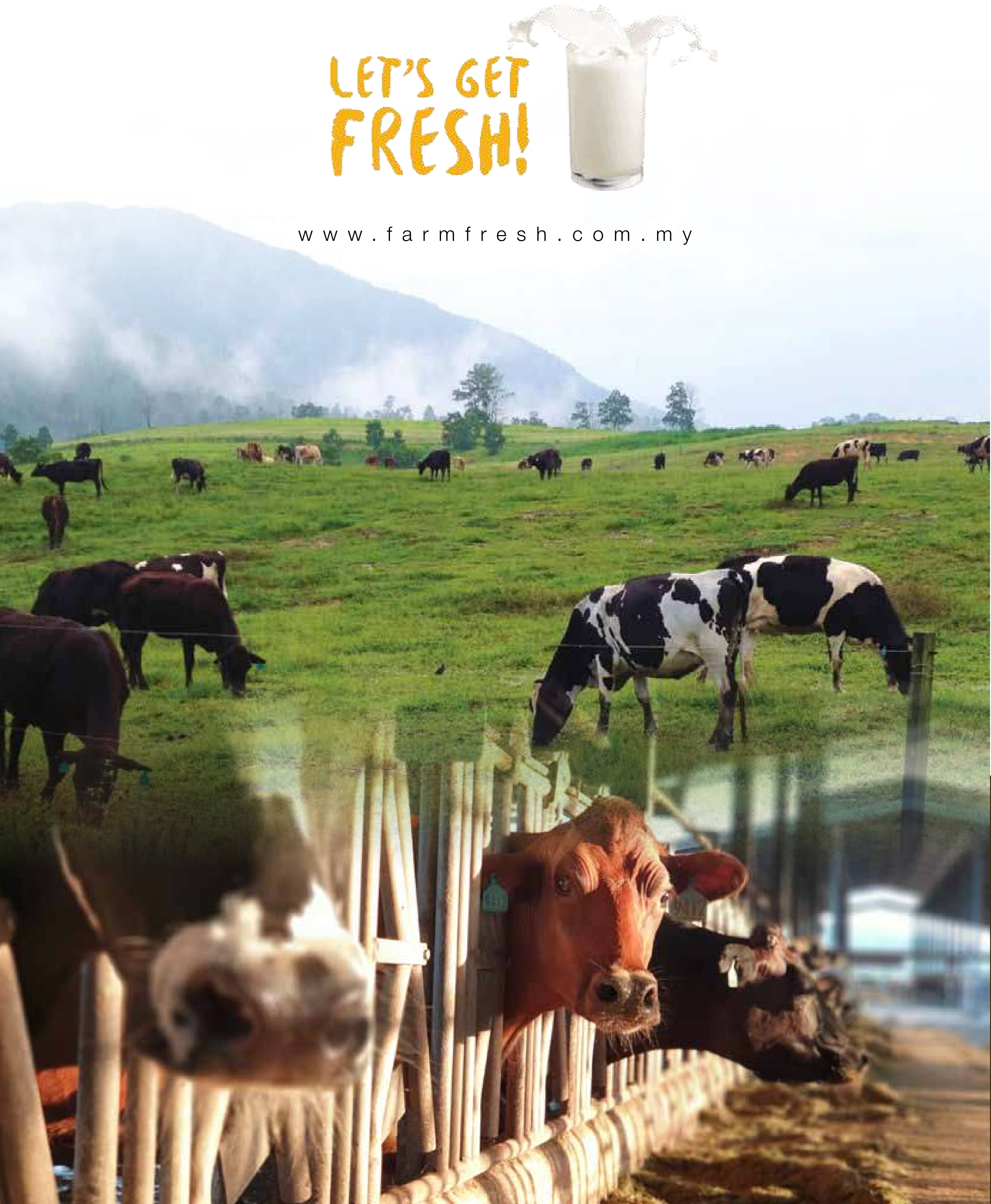
Applications for the IPO Shares offered under the Retail Offering will open at 10.00 a.m. on 28 February 2022 and will close at 5.00 p.m. on 8 March 2022. Any change to the timetable will be advertised by Farm Fresh in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia.

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

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

The Electronic Prospectus which is accessible at the Website is owned by Bursa Securities, being the stock exchange the Company is seeking listing on. Users' access to the Website and the use of the contents of the Website and/or any information in whatsoever form arising from the Website shall be conditional upon acceptance of the terms and conditions of use as contained on the Website.

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



FARM FRESH BERHAD

PROSPECTUS

THIS PROSPECTUS IS DATED 28 FEBRUARY 2022

P R O S P E C T U S

THIS PROSPECTUS IS DATED 28 FEBRUARY 2022

FARM FRESH BERHAD

(Co. Reg. No.: 201001010221 (894851-U))
(formerly known as The Holstein Milk Company Sdn Bhd)
(Incorporated in Malaysia under the Companies Act 1965 and deemed registered under the Companies Act 2016)

INITIAL PUBLIC OFFERING ("**IPO**") OF UP TO 743,181,900 ORDINARY SHARES ("**IPO SHARES**") IN FARM FRESH BERHAD ("**FARM FRESH**") IN CONJUNCTION WITH THE LISTING OF AND QUOTATION FOR THE ENTIRE ENLARGED ISSUED SHARE CAPITAL OF FARM FRESH ("**SHARES**") ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD COMPRISING AN OFFER FOR SALE OF UP TO 520,227,200 EXISTING SHARES ("**OFFER SHARES**") AND A PUBLIC ISSUE OF 222,954,700 NEW SHARES ("**ISSUE SHARES**") INVOLVING: :

(I) INSTITUTIONAL OFFERING OF UP TO 687,443,200 IPO SHARES TO MALAYSIAN AND FOREIGN INSTITUTIONAL AND SELECTED INVESTORS, INCLUDING BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY, MALAYSIA AT THE INSTITUTIONAL PRICE TO BE DETERMINED BY WAY OF BOOKBUILDING ("**INSTITUTIONAL PRICE**"); AND

(II) RETAIL OFFERING OF 55,738,700 ISSUE SHARES TO THE DIRECTORS OF FARM FRESH AND ITS SUBSIDIARIES ("**GROUP**"), ELIGIBLE EMPLOYEES OF THE GROUP, PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF THE GROUP AND THE MALAYSIAN PUBLIC AT THE RETAIL PRICE OF RM1.35 PER ISSUE SHARE ("**RETAIL PRICE**"), PAYABLE IN FULL UPON APPLICATION AND SUBJECT TO REFUND OF THE DIFFERENCE BETWEEN THE RETAIL PRICE AND THE FINAL RETAIL PRICE (AS DEFINED IN THIS PROSPECTUS) IN THE EVENT THAT THE FINAL RETAIL PRICE IS LESS THAN THE RETAIL PRICE,

SUBJECT TO THE CLAWBACK AND REALLOCATION PROVISIONS AND THE OVER-ALLOTMENT OPTION (AS DEFINED IN THIS PROSPECTUS), THE FINAL RETAIL PRICE WILL BE EQUAL TO THE LOWER OF:

(A) THE RETAIL PRICE OF RM1.35 PER ISSUE SHARE; OR

(B) THE INSTITUTIONAL PRICE.

Sole Principal Adviser, Joint Global Coordinator, Joint Bookrunner,
Joint Managing Underwriter and Joint Underwriter

CIMB Investment Bank Berhad
(Co. Reg. No.: 197401001266 (18417-M))

Joint Global Coordinator, Joint Bookrunner,
Joint Managing Underwriter and Joint Underwriter

Maybank Investment Bank Berhad
(Co. Reg. No.: 197301002412 (15938-H))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Joint Global Coordinator and
Joint Bookrunner

Credit Suisse Securities (Malaysia) Sdn Bhd
(Co. Reg No.: 199901024709 (499609-H))

Credit Suisse (Singapore) Limited
(Co. Reg. No.: 197702363D)

Joint Underwriters *(in alphabetical order)*

Affin Hwang Investment Bank Berhad
(Co. Reg. No.: 197301000792 (14389-U))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

AmInvestment Bank Berhad
(Co. Reg. No.: 197501002220 (23742-V))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Hong Leong Investment Bank Berhad
(Co. Reg. No.: 197001000928 (10209-W))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

RHB Investment Bank Berhad
(Co. Reg. No.: 197401002639 (19663-P))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

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

THE SECURITIES COMMISSION MALAYSIA ("**SC**") HAS APPROVED THE ISSUE, OFFER OR INVITATION FOR OUR IPO UNDER SECTION 214(1) OF THE CAPITAL MARKETS AND SERVICES ACT, 2007.

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

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

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

FOR INFORMATION CONCERNING THE RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" SET OUT IN SECTION 5 OF THIS PROSPECTUS.

LISTING SOUGHT: **MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD**

THIS PROSPECTUS IS NOT TO BE DISTRIBUTED OUTSIDE MALAYSIA

All defined terms used in this Prospectus are defined under "Presentation of Financial and Other Information", and "Definitions" commencing on pages viii and xii of this Prospectus, respectively.

RESPONSIBILITY STATEMENTS

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

CIMB, being the Sole Principal Adviser, the Joint Global Coordinator and the Joint Bookrunner for the Institutional Offering, and the Joint Managing Underwriter and Joint Underwriter for the Retail Offering, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

It is to be noted that the role of Credit Suisse in our IPO is limited to being the Joint Global Coordinator and the Joint Bookrunner for the Institutional Offering both within Malaysia and outside of Malaysia. Credit Suisse does not have any role in, and disclaims any responsibility for, the Retail Offering in Malaysia.

It is to be noted that the role of Maybank IB in our IPO is limited to being the Joint Global Coordinator and the Joint Bookrunner for the Institutional Offering both within Malaysia and outside of Malaysia, and the Joint Managing Underwriter and the Joint Underwriter for the Retail Offering.

It is to be noted that the role of AffinHwang IB, AmIB, HLIB and RHB IB is limited to being the Joint Underwriters for the Retail Offering.

STATEMENTS OF DISCLAIMER

Our Company has obtained the approval of Bursa Securities for our Listing. Admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares.

This Prospectus, together with the Application Forms, have also been lodged with the Registrar of Companies, who takes no responsibility for their contents.

OTHER STATEMENTS

Investors should note that they may seek recourse under Sections 248, 249 and 357 of the CMSA for breaches of securities laws including any statement in this Prospectus that is false, misleading, or from which there is a material omission, or for any misleading or deceptive act in relation to this Prospectus or the conduct of any other person in relation to our Company.

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

Our Shares are classified as Shariah-compliant by the SAC. This classification remains valid from the date of issue of this Prospectus until the next Shariah compliance review undertaken by the SAC. The new status is released in the updated list of Shariah-compliant securities, on the last Friday of May and November.

Investors should not take the agreement by the Joint Managing Underwriters and Joint Underwriters named in this Prospectus to underwrite our Shares under the Retail Offering as an indication of the merits of our Shares being offered.

This Prospectus has been prepared in the context of an IPO under the laws of Malaysia. It does not comply with the laws of any jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or by any regulatory authority of any jurisdiction other than Malaysia.

This Prospectus is published solely in connection with our IPO. Our Shares are being offered solely on the basis of the information contained and representations made in this Prospectus. Our Company, our Promoters, the Selling Shareholders, the Sole Principal Adviser, the Joint Global Coordinators, the Joint Bookrunners, the Joint Managing Underwriters and the Joint Underwriters have not authorised anyone to provide any information or to make any representation not contained in this Prospectus. Any information or representation not contained in this Prospectus must not be relied upon as having been authorised by our Company, our Promoters, the Selling Shareholders, the Sole Principal Adviser, the Joint Global Coordinators, the Joint Bookrunners, the Joint Managing Underwriters and the Joint Underwriters or any of their respective directors, or any other persons involved in our IPO.

The distribution of this Prospectus and our IPO are subject to the laws of Malaysia. This Prospectus will not be distributed outside Malaysia except insofar as it is part of the offering memorandum distributed to foreign institutional investors outside Malaysia in connection with our IPO. Our Company, our Promoters, the Selling Shareholders, the Sole Principal Adviser, the Joint Global Coordinators, the Joint Bookrunners, the Joint Managing Underwriters and the Joint Underwriters have not authorised and take no responsibility for the distribution of this Prospectus outside Malaysia except insofar as it is part of the offering memorandum distributed to foreign institutional investors outside Malaysia in connection with our IPO. No action has been taken to permit any offering of our Shares based on this Prospectus in any jurisdiction other than Malaysia. Accordingly, this Prospectus may not be used for the purpose of and does not constitute an offer for subscription or purchase or invitation to subscribe for or purchase of our Shares in any jurisdiction or in any circumstance in which such an offer is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation. The distribution of this Prospectus and the offering of our Shares in certain other jurisdictions may be restricted by law. Prospective investors who may be in possession of this Prospectus are required to inform themselves and to observe such restrictions.

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

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

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

It will be your sole responsibility to consult your legal and/or other professional adviser on the laws to which our IPO or you are or might be subjected to. Neither we nor our Promoters, the Selling Shareholders, the Sole Principal Adviser, the Joint Global Coordinators, the Joint Bookrunners, the Joint Managing Underwriters and the Joint Underwriters nor any other advisers in relation to our IPO will accept any responsibility or liability in the event that any application made by you shall become illegal, unenforceable, avoidable or void in any country or jurisdiction.

Our Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered, sold or delivered within the United States (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or a transaction not subject to, the registration requirements under the U.S. Securities Act. Accordingly, our Shares are being offered and sold only outside the United States in offshore transactions in reliance upon Regulation S under the U.S. Securities Act.

Our Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any State Securities Commission in the U.S. or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of our IPO or confirmed the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the U.S..

ELECTRONIC PROSPECTUS/INTERNET SHARE APPLICATION

This Prospectus can be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com. The contents of the Electronic Prospectus and the copy of this Prospectus registered with the SC are the same.

The internet is not a fully secure medium. Your Internet Share Application may be subject to risks of data transmission, computer security threats including viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions. These risks cannot be borne by the Internet Participating Financial Institutions. If you doubt the validity or integrity of the Electronic Prospectus, you should immediately request from us or the Issuing House, a paper/printed copy of this Prospectus. If there is any discrepancy between the contents of the Electronic Prospectus and the paper/printed copy of this Prospectus, the contents of the paper/printed copy of this Prospectus which are identical to the copy of the Prospectus registered with the SC will prevail.

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

(i) we do not endorse and are not affiliated in any way to the Third-Party Internet Sites. Accordingly, we are not responsible for the availability of or the content or any data, file or other material provided on the Third-Party Internet Sites. You bear all risks associated with the access to or use of the Third-Party Internet Sites;

(ii) we are not responsible for the quality of products or services in the Third-Party Internet Sites, particularly in fulfilling any of the terms of any of your agreements with the Third-Party Internet Sites. We are also not responsible for any loss or damage or cost that you may suffer or incur in connection with or as a result of dealing with the Third-Party Internet Sites or the use of or reliance on any data, information, file or other material provided by such parties; and

(iii) any data, information, file or other material downloaded from the Third-Party Internet Sites is done at your own discretion and risk. We are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, file or other material.

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

(i) the Internet Participating Financial Institution is only liable in respect of the integrity of the contents of the Electronic Prospectus, to the extent of the contents of the Electronic Prospectus on the web server of the Internet Participating Financial Institution which may be viewed via your web browser or other relevant software. The Internet Participating Financial Institution is not responsible for the integrity of the contents of the Electronic Prospectus which has been obtained from the web server of the Internet Participating Financial Institution and subsequently communicated or disseminated in any manner to you or other parties;

(ii) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in the Electronic Prospectus, the accuracy and reliability of the Electronic Prospectus cannot be guaranteed because the internet is not a fully secure medium; and

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

INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative time and/or date:

Event	Time and/or Date
Opening of the Institutional Offering[(1)]	28 February 2022
Issuance of the Prospectus/Opening of the Retail Offering	10:00 a.m., 28 February 2022
Closing of the Retail Offering	5:00 p.m., 8 March 2022
Closing of the Institutional Offering	10 March 2022
Price Determination Date	10 March 2022
Balloting of applications for our Issue Shares under the Retail Offering	11 March 2022
Allotment/Transfer of our IPO Shares to successful applicants	18 March 2022
Listing	22 March 2022

Note:

(1) Other than the Institutional Offering to the Cornerstone Investors. The Master Cornerstone Placement Agreement for the acquisition/subscription of our IPO Shares by the Cornerstone Investors was entered into on 23 February 2022.

If there is any change to the timetable, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references to "our Company" or "Farm Fresh" are to Farm Fresh Berhad (formerly known as The Holstein Milk Company Sdn Bhd). All references to "Farm Fresh Group" or "our Group" are to our Company and our subsidiaries taken as a whole. All references to "we", "us", "our" and "ourselves" are to our Company and where the context otherwise requires, our Group. All references to "you" are to our prospective investors.

All references to the "Selling Shareholders" are to Rainforest Capital Sdn Bhd, Farmchoice Foods Sdn Bhd and Agrifood Resources Holdings Sdn Bhd. All references to "our Promoters" are to Loi Tuan Ee, Rainforest Capital Sdn Bhd and Farmchoice Foods Sdn Bhd.

Any discrepancies in the tables between the amounts listed and the total amount in this Prospectus are due to rounding adjustments. Other abbreviations and acronyms used in this Prospectus are defined in the "Definitions" section and technical terms used in this Prospectus are defined in the "Glossary of Technical Terms" section. Words denoting the singular will, where applicable, include the plural and *vice versa* and words denoting the masculine gender will, where applicable, include the feminine and/or neuter genders and *vice versa*. References to persons will, where applicable, include companies and corporations.

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

Any reference to a date and time shall be a reference to a date and time in Malaysia, unless otherwise stated.

All references to the "LPD" in this Prospectus are to 31 January 2022, being the latest practicable date prior to the registration of this Prospectus with the SC.

The information on our website or any website directly or indirectly linked to such website does not form part of this Prospectus and you should not rely on those information for the purposes of your decision whether or not to invest in our Shares.

This Prospectus includes statistical data provided by us and various third parties and cites third-party projections regarding the growth and performance of the industry in which we operate and our estimated market share. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus, provided that where no source is stated, it can be assumed that the information originates from us or is extracted from the IMR Report included in Section 8 of this Prospectus. We have appointed Frost & Sullivan GIC Malaysia Sdn Bhd ("**Frost & Sullivan**") to provide an independent market and industry review. In compiling its data for the review, Frost & Sullivan relied on its research methodology, industry sources, published materials, its private databanks and direct contacts within the industry.

Further, third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. We cannot give any assurance that the projected figures will be achieved and you should not place undue reliance on the statistical data and third-party projections cited in this Prospectus.

EBITDA and the related ratios presented in this Prospectus are supplemental measures of our performance and liquidity that are not required by or presented in accordance with the MFRS or IFRS. Furthermore, EBITDA is not a measure of our financial performance or liquidity under the MFRS and IFRS and should not be considered as an alternative to net income and any other performance measures derived in accordance with the MFRS or IFRS or as an alternative to cash flows from operating activities or as a measure of liquidity. In addition, EBITDA is not a standardised term, and hence, a direct comparison of a similarly titled measure between companies may not be possible. Other companies may calculate EBITDA differently from us, limiting its usefulness as a comparative measure.

We believe that EBITDA may facilitate comparisons of operating performance from period to period and company to company by eliminating potential differences caused by variations in capital structures (affecting interest expense and finance charges), tax positions (including the impact on periods or companies of changes in effective tax rates or net operating losses), the age and booked depreciation and amortisation of assets (affecting relative depreciation and amortisation expenses). EBITDA has been presented because we believe that it is frequently used by securities analysts, investors and other interested parties in evaluating similar companies, many of whom present such non-MFRS and non-IFRS financial measures when reporting their results. Finally, EBITDA is presented as a supplemental measure of our ability to service debt. Nevertheless, EBITDA has limitations as an analytical tool, and prospective investors should not consider it in isolation from or as a substitute for analysis of our financial condition or results of operations, as reported under the MFRS and IFRS. Due to these limitations, EBITDA should not be considered as a measure of discretionary cash available to invest in the growth of our business.

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FORWARD-LOOKING STATEMENTS

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

(i) demand and supply for our products and general industry environment;

(ii) our business strategies and competitive position;

(iii) our future financial position, earnings, cash flows and liquidity;

(iv) our ability to enter and operate in certain foreign markets;

(v) potential growth opportunities; and

(vi) regulatory environment and the effects of future regulation.

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors beyond our control, including, without limitation:

(i) activities and financial position of our customers, suppliers and other business partners;

(ii) delay in the supply of raw materials and shortages in labour;

(iii) finance costs, interest rates, tax rates and foreign exchange rates;

(iv) future regulatory or government policy changes affecting us or countries where we sell our products to or from which we purchase our raw materials;

(v) delays or problems with the execution of our expansion plans;

(vi) outbreak of any major diseases in our dairy farms and pandemics of infectious diseases;

(vii) competitive environment of the industry in which we operate;

(viii) reliance on licences, permits and approvals;

(ix) general economic, business, social, political and investment environment in countries where we operate or sell our products to or purchase our raw materials;

(x) continued availability of capital and financing;

(xi) fixed or contingent obligations and commitments;

(xii) changes in accounting standards and policies; and

(xiii) other factors beyond our control.

FORWARD-LOOKING STATEMENTS *(Cont'd)*

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 5 of this Prospectus on "Risk Factors" and Section 12.2 of this Prospectus on "Management's Discussion and Analysis of Financial Condition and Results of Operations". We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the LPD.

In light of these uncertainties, the inclusion of such forward-looking statements should not be regarded as a representation or warranty by us or our advisers that such plans and objectives will be achieved. Should we become aware of any subsequent material change or development affecting matters disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment/transfer of our IPO Shares, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238(1) of the CMSA and Paragraph 1.02, Chapter 1 of Part II (Division 6 on Supplementary and Replacement Prospectus) of the Prospectus Guidelines.

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DEFINITIONS

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

Accountant's Report	:	The Accountants Report dated 11 February 2022 issued by the Reporting Accountants
Act	:	Companies Act, 2016
ADA	:	Authorised Depository Agent
Admission	:	Admission of our Shares to the Official List of the Main Market of Bursa Securities
AffinHwang IB	:	Affin Hwang Investment Bank Berhad
AGM	:	Annual general meeting
Agricultural Tax Incentive	:	100% income tax exemption on statutory income arising from the rearing of cattle and goat, and milk processing activities
Agrifood Resources	:	Agrifood Resources Holdings Sdn Bhd
AmIB	:	AmInvestment Bank Berhad
AMWU	:	Australian Manufacturing Workers Union
Application	:	Application of our Issue Shares by way of Application Form, Electronic Share Application or Internet Share Application
Application Forms	:	Application form for the application of our Issue Shares under the Retail Offering accompanying this Prospectus
Approval for Expansion Notification Requirement	:	Approval sought to include Larkin Facility to be included in the scope of the Agricultural Tax Incentive
ATM	:	Automated teller machine
Auditors or Reporting Accountants	:	KPMG PLT
Authorised Financial Institution	:	Authorised financial institution participating in the Internet Share Application in respect of the payment for our IPO Shares
AYC F&B	:	AYC F&B Sdn Bhd
Bahagia Distributors	:	Bahagia Distributors Sdn Bhd
BDSB	:	Bio Desaru Sdn Bhd
BNM	:	Bank Negara Malaysia
Board or Board of Directors	:	Board of Directors of our Company
Bonus Issue	:	A bonus issue of 1,550,000,138 new Shares to our existing shareholders pursuant to the pre-IPO exercise undertaken by our Company as set out in Section 4.2.1 of this Prospectus

DEFINITIONS *(Cont'd)*

Building Plan Approval	:	Building plan approval required to be obtained before commencing development or construction work
Bumiputera	:	In the context of: (i) individuals, Malays and the aborigines and the natives of Sabah and Sarawak as specified in the Federal Constitution of Malaysia: (ii) companies, a company which fulfils, amongst others, the following criteria or such other criteria as may be imposed by the MITI: (a) registered under the Act or Companies Act 1965 as a private company; (b) its shareholders are 100% Bumiputera; and (c) its board of directors (including its staff) are at least 51% Bumiputera; and (iii) cooperatives, a cooperative whose shareholders or cooperative members are at least 95% Bumiputera or such other criteria as may be imposed by the MITI
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd
Bursa Securities	:	Bursa Malaysia Securities Berhad
By-Laws	:	By-laws governing the ESOS
CAGR	:	Compound annual growth rate, computed through the formula: CAGR = (Ending amount / Beginning amount)$^{1/N}$ – 1 Ending amount is the amount at the end of the period; Beginning amount is the amount at the beginning of the period; and N is the number of years within the period
Cahaya Bintang	:	Cahaya Bintang Ltd
CCC or CF	:	Certificate of completion and compliance or certificate of fitness, or such certificate by any other name issued by the relevant authority under the Street Drainage and Building Act 1974 and any by-laws made under it or such relevant legislation applicable at the material time
CCM	:	Companies Commission of Malaysia
CCN	:	Cold Chain Network (M) Sdn Bhd
CCTV	:	Closed-circuit television
CDS	:	Central Depository System
Central Bank or Central Banks	:	A country's institution that oversees monetary and currency policy in the country
CGU	:	Cash Generating Unit
CIMB	:	CIMB Investment Bank Berhad
CIP	:	Clean-in-place

DEFINITIONS *(Cont'd)*

CMCO	:	Conditional movement control order issued under the Prevention and Control of Infectious Disease Act, 1988 and Police Act, 1967 which was in effect for the whole of Malaysia from 4 May 2020 to 9 June 2020 including the CMCO that was imposed on certain areas of Malaysia from time to time during the outbreak of COVID-19 pandemic, including the CMCO which was imposed on Federal Territory of Kuala Lumpur and Putrajaya and the state of Selangor from 9 November 2020 to 17 May 2021
CMSA	:	Capital Markets and Services Act, 2007
COGS	:	Cost of goods sold
Constitution	:	Constitution of our Company
Cornerstone Investors	:	Collectively, abrdn Asia Limited, abrdn Malaysia Sdn. Bhd. (formerly known as Aberdeen Standard Investments (Malaysia) Sdn. Bhd.), abrdn Islamic Malaysia Sdn. Bhd. (formerly known as Aberdeen Standard Islamic Investments (Malaysia) Sdn. Bhd.), Affin Hwang Asset Management Berhad, AIA Bhd., Alcea Rosea Sdn. Bhd., Barings Singapore Pte. Ltd., Eastspring Investments Berhad, Employees Provident Fund Board, Fortress Capital Asset Management (M) Sdn Bhd, Franklin Templeton Asset Management (Malaysia) Sdn. Bhd., Franklin Templeton GSC Asset Management Sdn. Bhd., Great Eastern Life Assurance (Malaysia) Berhad, Hong Leong Assurance Berhad, Hong Leong Asset Management Berhad, JPMorgan Asset Management (Singapore) Limited, KAF Investment Funds Berhad, Kenanga Investors Berhad, Kenanga Islamic Investors Berhad, Kumpulan Wang Persaraan (Diperbadankan), Lembaga Tabung Haji, Manulife Investment Management (M) Berhad, Maybank Asset Management Sdn Bhd, Maybank Islamic Asset Management Sdn Bhd, Merit Glory Pte. Ltd., New Silk Road Investment Pte. Ltd., OAKS Emerging Umbrella Fund Plc OAKS Emerging and Frontier Opportunities Fund, OAKS Emerging Umbrella Plc Smaller Emerging Markets Opportunities Fund, Permodalan Nasional Berhad, Principal Asset Management Berhad, Principal Islamic Asset Management Sdn Bhd, Social Security Organisation, UBS Asset Management (Singapore) Ltd., UOB Asset Management (Malaysia) Berhad, UOB Islamic Asset Management Sdn Bhd, Urusharta Jamaah Sdn Bhd, Value Partners Hong Kong Limited and Zurich Life Insurance Malaysia Berhad
COVID-19	:	Coronavirus disease (COVID-19), an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)
Credit Suisse	:	Collectively, Credit Suisse Securities (Malaysia) Sdn Bhd and Credit Suisse (Singapore) Limited
Director(s)	:	Director(s) of our Company
DVS	:	Department of Veterinary Services
EBITDA	:	Earnings before interest, taxes, depreciation and amortisation
ECER Incentive	:	East Coast Economic Region Incentive
ECL	:	Expected credit losses
Electronic Prospectus	:	Copy of this Prospectus that is issued, circulated or disseminated via the internet and/or an electronic storage medium including, but not limited to compact disc read only memory (CD-ROM)

Electronic Share Application	:	Application for our Issue Shares under the Retail Offering through a Participating Financial Institution's ATM
Eligible Persons	:	Collectively, our Directors, employees of our Group (including directors of our subsidiaries) and persons who have contributed to the success of our Group, who are eligible to participate in the Retail Offering
EPF	:	Employees' Provident Fund Board
EPS	:	Earnings per Share
Equity Guidelines	:	Equity Guidelines issued by the SC
ERP	:	Enterprise Resource Planning
ESG	:	Environmental, social and governance
ESOS	:	Employees' share option scheme of our Company
ESOS Options	:	Right of a Grantee to subscribe for new Shares under the contract constituted by the acceptance of an offer made in accordance with the terms and conditions of the offer and the By-Laws
Expansion Notification Requirement	:	Notification required to be provided to MOA if FFMSB intends to make any additional investment including expanding the area to carry out goat or cow farming and milk processing activities, in relation to tax incentives granted by MOA
F&B	:	Food and beverage
Farm Fresh or Company	:	Farm Fresh Berhad (formerly known as The Holstein Milk Company Sdn Bhd)
Farmchoice Foods	:	Farmchoice Foods Sdn Bhd
Final Retail Price	:	Final price per Issue Share to be paid by the investors under the Retail Offering, equivalent to the Retail Price or the Institutional Price, whichever is lower, to be determined on the Price Determination Date
First Tranche of the ESOS	:	37,159,000 ESOS Options to be granted under the ESOS in conjunction with our Listing
FIRB	:	Australian Foreign Investment Review Board
Frost & Sullivan or IMR	:	Frost & Sullivan GIC Malaysia Sdn Bhd, the independent market researcher
FPE	:	Financial period ended or where the context otherwise requires, financial period ending
FYE	:	Financial year ended or where the context otherwise requires, financial year ending
Government	:	Government of Malaysia
GP	:	Gross profit
Grantee(s)	:	Eligible Director(s) or eligible employee(s) of our Group who has(ve) accepted the offer in accordance with the terms and conditions of the offer and the By-Laws

Group	:	Collectively, our Company and our subsidiaries
GST	:	Goods and services tax
ha	:	Hectares
HLIB	:	Hong Leong Investment Bank Berhad
IC	:	IFRS Interpretations Committee
IFRS	:	International Financial Reporting Standards as issued by the International Accounting Standards Board
IMR Report	:	Independent market research report dated 15 February 2022 prepared by Frost & Sullivan
Initial Public Offering or IPO	:	Collectively, the Offer for Sale and our Public Issue
Institutional Offering	:	Offering of up to 687,443,200 IPO Shares at the Institutional Price, subject to the clawback and reallocation provisions and the Over-allotment Option, to the following: (i) Malaysian institutional and selected investors, including Bumiputera investors approved by the MITI; and (ii) foreign institutional and selected investors outside the United States in reliance on Regulation S
Institutional Price	:	Price per IPO Share to be paid by investors under the Institutional Offering which will be determined on the Price Determination Date by way of bookbuilding
Internet Participating Financial Institution(s)	:	Participating financial institution(s) for the Internet Share Application
Internet Share Application	:	Application for our Issue Shares under the Retail Offering through an Internet Participating Financial Institution
IPO Shares	:	Collectively, the Offer Shares and the Issue Shares
IRB	:	Inland Revenue Board of Malaysia
Issue Shares	:	New Shares to be issued by our Company under our Public Issue
Issuing House	:	Tricor Investor & Issuing House Services Sdn Bhd
JobKeeper Payment	:	A scheme introduced by the Australian government to support businesses affected by COVID-19
Joint Bookrunners	:	Collectively, CIMB, Credit Suisse and Maybank IB
Joint Global Coordinators	:	Collectively, CIMB, Credit Suisse and Maybank IB
Joint Managing Underwriters	:	Collectively, CIMB and Maybank IB
Joint Underwriters	:	Collectively, AffinHwang IB, AmIB, CIMB, HLIB and Maybank IB

JWRB	:	Johor Water Regulatory Body
Khazanah	:	Khazanah Nasional Berhad
kW	:	Kilowatt
KPMG	:	KPMG PLT
Larkin Facility Tax Incentive	:	100% income tax exemption on the statutory income arising from qualifying projects conducted in the Larkin Facility pursuant to Section 127(3A) of the Income Tax Act 1967
Listing	:	Listing of and quotation for the entire enlarged Shares on the Main Market of Bursa Securities
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	31 January 2022, being the latest practicable date prior to the registration of this Prospectus with the SC
MAFI	:	Ministry of Agriculture and Food Industries of Malaysia
Malaysian Public	:	Malaysian citizens, companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia
MARDI	:	Malaysian Agricultural Research and Development Institute
Market Day	:	A day on which Bursa Securities is open for trading in securities
MASB	:	Malaysian Accounting Standards Board
Master Cornerstone Placement Agreement	:	The master cornerstone placement agreement dated 23 February 2022 entered into between our Company, Selling Shareholders, the Joint Global Coordinators and the Cornerstone Investors as detailed in Section 4.2.2 of this Prospectus
Mawai Capital	:	Mawai Capital Sdn Bhd
Maybank IB	:	Maybank Investment Bank Berhad
MCCG	:	Malaysian Code on Corporate Governance as at 28 April 2021
MCO	:	Movement control order issued under the Prevention and Control of Infectious Diseases (Measures within the Infected Local Areas) Regulations 2020 with effect from 18 March to 3 May 2020, reimposed in all of the federal territories, certain states and districts commencing from 13 January 2021 until 18 February 2021, and was subsequently reimposed for the whole of Malaysia commencing from 12 May 2021 until 7 June 2021
MFRS	:	Malaysian Financial Reporting Standards
MIDA	:	Malaysian Investment Development Authority
MITI	:	Ministry of International Trade and Industry of Malaysia
MOA	:	Ministry of Agriculture and Agro-based Industry of Malaysia
MOH	:	Ministry of Health Malaysia

Moratorium Providers	:	Collectively, (i) Loi Tuan Ee, Loi Tuan Kin, Rainforest Capital and Farmchoice Foods being shareholders of our Company whose securities are subject to moratorium under the Equity Guidelines and (ii) Cahaya Bintang in respect of 23,633,900 Shares representing about 1.272% equity interest in our Company after Listing
N/A	:	Not applicable
NA	:	Net assets
NRIC	:	Malaysian National Registration Identity Card
NRP	:	National Recovery Plan, a four-phase national recovery plan where a different degree of travel restrictions and restriction in the operation of various economic sectors are implemented
Offer for Sale	:	Offer for sale of up to 520,227,200 Offer Shares by the Selling Shareholders under the Institutional Offering
Offer Shares	:	Existing Shares to be offered by the Selling Shareholders under the Offer for Sale
Official List	:	A list specifying all securities listed on Bursa Securities
Orang Asli	:	Indigenous population of Peninsular Malaysia
Over-allotment Option	:	The over-allotment option to be granted by the Over-allotment Option Providers to the Stabilising Manager (on behalf of the Placement Managers)
Over-allotment Option Providers	:	Collectively, Rainforest Capital, Farmchoice Foods and Agrifood Resources
Participating Financial Institution(s)	:	Participating financial institution(s) for the Electronic Share Application
PAT	:	Profit after taxation
PBT	:	Profit before taxation
PEG	:	Proceeds from export of goods
PER	:	Price-to-earnings ratio
Petabern Dairies	:	The business and operations carried out by Petabern Dairies Pty Ltd
Pink Application Form	:	Application form for the application of our Issue Shares under the Retail Offering by the Eligible Persons accompanying this Prospectus
Pink Form Allocations	:	The allocation of 18,579,600 Issue Shares to Eligible Persons under the Retail Offering
Placement Agreement	:	The placement agreement to be entered into by our Company, the Selling Shareholders, the Joint Global Coordinators and the Joint Bookrunners in respect of such number of IPO Shares to be offered under the Institutional Offering
Placement Managers	:	Collectively, CIMB, Credit Suisse and Maybank IB

Planning Permission	:	Planning permission required to be obtained prior to carrying out any development or construction work
PPE	:	Personal protection equipment
Price Determination Date	:	The date on which the Institutional Price and Final Retail Price will be determined
Promoters	:	Collectively, Loi Tuan Ee, Rainforest Capital and Farmchoice Foods
Prospectus	:	This Prospectus dated 28 February 2022 issued by our Company
Prospectus Guidelines	:	Prospectus Guidelines issued by the SC
Provenance Creamery	:	Provenance Creamery Pte Ltd (formerly known as Farm Fresh Milk Pte Ltd)
Public	:	All persons or members of the public excluding our Group's Directors, our Substantial Shareholders and persons associated with them (as defined in the Listing Requirements)
Public Issue	:	Public issue of 222,954,700 Issue Shares by our Company
PWRB	:	Pahang Water Regulatory Body
Rainforest Capital	:	Rainforest Capital Sdn Bhd
Record of Depositors	:	A record of securities holders established by Bursa Depository under the Rules of Bursa Depository
Regulation S	:	Regulation S under the U.S. Securities Act
Retail Offering	:	Offering of 55,738,700 Issue Shares at the Retail Price, subject to the clawback and reallocation provisions, to be allocated in the following manner: (i) 18,579,600 Issue Shares reserved for application by the Eligible Persons; and (ii) 37,159,100 Issue Shares for application by the Malaysian Public, via balloting
Retail Price	:	Initial price of RM 1.35 per Issue Share to be fully paid upon application under the Retail Offering, subject to adjustment as detailed in Section 4.4.1 of this Prospectus
Retail Underwriting Agreement	:	The retail underwriting agreement dated 15 February 2022 entered into between our Company, the Joint Managing Underwriters and the Joint Underwriters for the underwriting of our Issue Shares under the Retail Offering
RFID	:	Radio-frequency identification
RHB IB	:	RHB Investment Bank Berhad
RMCO	:	Recovery movement control order issued under the Prevention and Control of Infectious Diseases (Measures within the Infected Local Areas) Regulations 2020 which was in effect from 10 June 2020 until 31 December 2020

Rules of Bursa Depository	:	The rules of Bursa Depository as issued under the SICDA
SAC	:	Shariah Advisory Council of the SC
SC	:	Securities Commission Malaysia
Selling Shareholders	:	Collectively, Rainforest Capital, Farmchoice Foods and Agrifood Resources
Share Lending Agreement	:	The agreement to be entered into by the Over-allotment Option Providers and the Stabilising Manager under which the Over-allotment Option Providers will lend our Shares to the Stabilising Manager to cover over-allotments, if any, under the Over-allotment Option
Share Registrar	:	Tricor Investor & Issuing House Services Sdn Bhd
Shares	:	Ordinary shares in the share capital of our Company
SICDA	:	Securities Industry (Central Depositories) Act, 1991
Singapore Distributor	:	A Singapore company that imports and distributes beverages across major leading supermarkets and convenience stores in Singapore
Sole Principal Adviser	:	CIMB
SOPs	:	Standard operating procedure(s)
sq ft	:	Square feet
sq m	:	Square metres
Stabilising Manager	:	Maybank IB
Substantial Shareholder(s)	:	Loi Tuan Ee, Loi Foon Kion, Rainforest Capital, Farmchoice Foods, Agrifood Resources, and Khazanah, being persons who respectively have an interest in our Shares, the nominal amount of which is not less than 5.0% of the aggregate nominal amount of all the voting shares of our Company
Sukuk	:	Sukuk Wakalah Programme
Tetra Pak (M)	:	Tetra Pak (Malaysia) Sdn Bhd
U.S. or United States	:	United States of America, its territories and possessions, any state of the United States and the District of Columbia
U.S. Securities Act	:	United States Securities Act of 1933, as amended
UPM	:	Universiti Putra Malaysia
White Application Form	:	Application form for the application of our Issue Shares under the Retail Offering by the Malaysian Public accompanying this Prospectus

DEFINITIONS *(Cont'd)*

Subsidiaries

AFS Dairy Company	:	AFS Dairy Company Australia Pty Ltd
FFMSB	:	Farm Fresh Milk Sdn Bhd
FFM HK	:	Farm Fresh Milk (HK) Limited
Gem Organics	:	Gem Organics (M) Sdn Bhd
Goulburn Valley Creamery	:	Goulburn Valley Creamery Pty Ltd
Henry Jones Foods	:	Henry Jones Foods Pty Ltd
Holstein Dairy (Desaru)	:	Holstein Dairy (Desaru) Sdn Bhd
Holstein Selama Dairy	:	Holstein Selama Dairy Sdn Bhd
Serdang Dairy	:	Serdang Dairy Sdn Bhd
THMC (Australia)	:	The Holstein Milk Company (Australia) Pty Ltd
THMC (M)	:	The Holstein Milk Company (M) Sdn Bhd

Currencies

AUD	:	Australian Dollar
EUR	:	Euro
HKD	:	Hong Kong Dollar
IDR	:	Indonesian Rupiah
NZD	:	New Zealand Dollar
PHP	:	Philippines Peso
RM and sen	:	Ringgit Malaysia and sen
SGD	:	Singapore Dollar

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GLOSSARY OF TECHNICAL TERMS

AFS	:	Australian friesian sahiwal dairy breed
FAO Report	:	Report issued by Food and Agriculture Organisation of the United Nations and Global Dairy Platform Inc. in 2019
FIFO	:	First-in-first-out
FMCG	:	Fast-moving consumer goods
Food Regulations	:	Food Regulations 1985
FSC	:	Forest Stewardship Council
GHG	:	Greenhouse gas
GMP	:	Good Manufacturing Practice; in Malaysia, GMP is the requirement standards for food hygiene and safety defined by the Ministry of Health
Goals	:	United Nation Sustainable Development Goals
HACCP	:	Hazard Analysis Critical Control Points
HFAC	:	Humane Farm Animal Care
HORECA	:	Hotel, restaurant and café
ICoE	:	Industry Centre of Excellence
IVF	:	In vitro fertilisation
MWp	:	Megawatts-peak
NDID	:	National Dairy Industry Development
NPL Committee	:	New Product Launch Committee
Progress Reports	:	Project implementation report that FFMSB is required to submit to DVS every six months for monitoring purposes, in relation to tax incentives granted by MOA
PV	:	Photovoltaic
QR	:	Quick response
R&D	:	Research and development
RTD	:	Ready to drink
SKU(s)	:	Stock keeping units
Super Cow	:	Dairy cows which display high performing tendencies across aspects such as milk yields, fertility levels, longevity and adaptability to harsh topical environments
TMR Wagon	:	A diet-feeder machine used to mix all the different feed and distribute the total mixed ration feed to the cows
TPC	:	Total plate count
UHT	:	Ultra-high temperature processing

1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Designation	Nationality	Address
Tan Sri Dato' Seri Haji Megat Najmuddin Bin Datuk Seri Dr. Haji Megat Khas	Independent Non-Executive Chairman	Malaysian	No. 2, Jalan 12/7, 46200 Petaling Jaya, Selangor
Loi Tuan Ee	Non-Independent Executive Director, Group Managing Director and Group Chief Executive Officer	Malaysian	No. 7, Jalan Tembaga, Taman Kolam Air, 80100 Johor Bahru, Johor
Loi Foon Kion	Non-Independent Non-Executive Director	Malaysian	No. 2, Jalan Chelagi, Bukit Damansara, 50490 Kuala Lumpur
Tan Mei Shwen Serena	Non-Independent Non-Executive Director	Malaysian	No. 40, Lenkongan Jenjarom, Taman Seputeh, 58000 Kuala Lumpur
Sukanta Kumar Dutt	Independent Non-Executive Director	Malaysian	No. 28, Jalan SS2/44, 47300 Petaling Jaya, Selangor
Dato' Dr Quaza Nizamuddin Bin A. Hassan Nizam	Independent Non-Executive Director	Malaysian	No. 12A, Jalan Putra Mahkota 7/3H, Putra Heights, 47650 Subang Jaya, Selangor
Jocelyn Ng Lai Leng	Independent Non-Executive Director	Malaysian	No. 5, Persiaran Ukay, Villa Sri Ukay, 68000 Ampang, Selangor

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Sukanta Kumar Dutt	Chairman	Independent Non-Executive Director
Dato' Dr Quaza Nizamuddin Bin A. Hassan Nizam	Member	Independent Non-Executive Director
Jocelyn Ng Lai Leng	Member	Independent Non-Executive Director

NOMINATION AND REMUNERATION COMMITTEE

Name	Designation	Directorship
Sukanta Kumar Dutt	Chairman	Independent Non-Executive Director
Loi Foon Kion	Member	Non-Independent Non-Executive Director
Tan Mei Shwen Serena	Member	Non-Independent Non-Executive Director
Dato' Dr Quaza Nizamuddin Bin A. Hassan Nizam	Member	Independent Non-Executive Director
Jocelyn Ng Lai Leng	Member	Independent Non-Executive Director

1. CORPORATE DIRECTORY *(Cont'd)*

COMPANY SECRETARIES	:	**Yong May Li** No. 25, Jalan Setia 5/2 Taman Setia Indah 81100 Johor Bahru Johor	Professional qualification: Licensed Secretary (LS) (Licence No.: LS 0000295) (SSM PC No.: 202008000285)
		Wong Chee Yin No. 21, Jalan Sentral 23/8 Taman Nusa Sentral 79100 Iskandar Puteri Johor	Malaysian Institute of Chartered Secretaries and Administrators (MAICSA No.: MAICSA 7023530) (SSM PC No.: 202008001953)
REGISTERED OFFICE	:	Suite 1301, 13th Floor City Plaza, Jalan Tebrau 80300 Johor Bahru, Johor Tel. No.: +607-332 2088	
HEAD/MANAGEMENT OFFICE	:	No. 11-1, Jalan Petaling Kawasan Perindustrian Larkin 80350 Johor Bahru, Johor Tel. No.: +607-232 3463 Website: www.farmfresh.com.my E-mail: custsvc@farmfreshmilk.com.my	
SELLING SHAREHOLDERS	:	**Rainforest Capital Sdn Bhd** No. 2-01, Jalan Bestari 6/2 Taman Nusa Bestari 79150 Iskandar Puteri, Johor **Farmchoice Foods Sdn Bhd** No. 2-01, Jalan Bestari 6/2 Taman Nusa Bestari 79150 Iskandar Puteri, Johor **Agrifood Resources Holdings Sdn Bhd** Level 22, Mercu UEM Jalan Stesen Sentral 5 Kuala Lumpur Sentral 50470 Kuala Lumpur	
AUDITORS AND REPORTING ACCOUNTANTS	:	**KPMG PLT** Level 3, CIMB Leadership Academy No. 3, Jalan Medini Utara 1 Medini Iskandar 79200 Iskandar Puteri, Johor Tel. No.: +607 266 2213 Partner-in-charge: Tan Teck Eng Professional qualification: Member of MIA and CPA Australia (MIA membership No.: 23391)	
SOLE PRINCIPAL ADVISER	:	**CIMB Investment Bank Berhad** 17th Floor, Menara CIMB No.1, Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Tel. No.: +603 2261 8888	

1. CORPORATE DIRECTORY *(Cont'd)*

JOINT MANAGING UNDERWRITERS *(in alphabetical order)*	:	**CIMB Investment Bank Berhad** 17th Floor, Menara CIMB No.1, Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Tel. No.: +603 2261 8888	**Maybank Investment Bank Berhad** 32nd Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Tel. No.: +603 2059 1888
JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS *(in alphabetical order)*	:	**CIMB Investment Bank Berhad** 17th Floor, Menara CIMB No.1, Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Tel. No.: +603 2261 8888	**Credit Suisse Securities (Malaysia) Sdn Bhd** Suite 7,6, Level 7, Menara IMC 8 Jalan Sultan Ismail 50250 Kuala Lumpur Tel. No.: +603 2723 2020
		Credit Suisse (Singapore) Limited 1 Raffles Link #03/#04-01, One Raffles Link Singapore 039393 Tel. No.: +65 6212 2000	**Maybank Investment Bank Berhad** 32nd Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Tel. No.: +603 2059 1888
JOINT UNDERWRITERS *(in alphabetical order)*	:	**Affin Hwang Investment Bank Berhad** 27th Floor, Menara Boustead 69 Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: +603 2142 3700	**AmInvestment Bank Berhad** Level 22, Bangunan AmBank Group No. 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: +603 2036 2633
		CIMB Investment Bank Berhad 17th Floor, Menara CIMB No. 1, Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Tel. No.: +603 2261 8888	**Hong Leong Investment Bank Berhad** Level 28, Menara Hong Leong No. 6 Jalan Damanlela Bukit Damansara 50490 Kuala Lumpur Tel. No.: +603 2083 1800
		Maybank Investment Bank Berhad 32nd Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Tel. No.: +603 2059 1888	**RHB Investment Bank Berhad** Level 10, Tower One RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Tel. No.: +603 9287 3888
LEGAL ADVISERS	:	*To our Company as to Malaysian law*	*To our Company as to United States federal securities law and English law*
		Adnan Sundra & Low Level 25, Menara Etiqa No. 3, Jalan Bangsar Utama 1 59000 Kuala Lumpur Tel. No.: +603 2279 3288	**Clifford Chance Pte. Ltd.** 12 Marina Boulevard Marina Bay Financial Centre Tower 3, 25th Floor Singapore 018982 Tel. No.: +65 6410 2200

LEGAL ADVISERS *(Cont'd)* :

To the foreign entity within our Group as to Australian law

Pricewaterhouse Coopers (Legal)
2 Riverside Quay
Southbank VIC 3006
Australia
Tel No.: +61 38603 2158 / +61 418870932

To the Joint Global Coordinators, Joint Bookrunners, Joint Managing Underwriters and Joint Underwriters as to Malaysian law

Kadir, Andri & Partners
Suite A-38-8, Level 38
Menara UOA Bangsar
No. 5, Jalan Bangsar Utama 1
59000 Kuala Lumpur
Tel. No.: +603 2780 2888

To the Joint Global Coordinators, Joint Bookrunners, Joint Managing Underwriters and Joint Underwriters as to United States federal securities law and English law

Allen & Overy LLP
50 Collyer Quay
#09-01 OUE Bayfront
Singapore 049321
Tel. No.: +65 6671 6000

INDEPENDENT MARKET RESEARCHER :

Frost & Sullivan GIC Malaysia Sdn Bhd
Level 16 & 17 Nucleus Tower
No. 10, Jalan PJU 7/6
Mutiara Damansara
47800 Petaling Jaya
Selangor
Tel. No.: +603 2023 2000
Name of signing partner: June Liang Pui San
(See Section 8 of this Prospectus for the profile of the firm and signing partner)

SHARE REGISTRAR AND ISSUING HOUSE :

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No.8, Jalan Kerinchi
59200 Kuala Lumpur
Tel. No.: +603 2783 9299

SHARIAH ADVISER :

CIMB Islamic Bank Berhad
17th Floor, Menara CIMB
No.1, Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Tel. No.: +603 2261 8888

LISTING SOUGHT : Main Market of Bursa Securities

SHARIAH STATUS : Approved by the SAC

2. INTRODUCTION

2.1 APPROVALS AND CONDITIONS

The SC has, via its letter dated 8 December 2021, approved our IPO and our Listing under Section 214(1) of the CMSA, subject to compliance with the following condition:

No.	Details of condition imposed	Status of compliance
(i)	CIMB and Farm Fresh to fully comply with the requirements of the Equity Guidelines and Prospectus Guidelines pertaining to the implementation of our Listing	To be complied

The SC has also via the same letter approved the resultant equity structure of our Company pursuant to our Listing under the Bumiputera equity requirement for public listed companies. The effects of our Listing on the equity structure of our Company are as follows:

	As at 31 August 2021		After our Listing	
Category of shareholders	**No. of Shares**	**% of issued Shares**	**No. of Shares**	**% of enlarged issued Shares**
Bumiputera				
- Bumiputera investors to be approved by the MITI	-	-	(1)232,244,400	12.5
- Bumiputera public investors via balloting	-	-	(1)18,579,550	1.0
Total Bumiputera	**-**	**-**	**250,823,950**	**13.5**
Non-Bumiputera	84,999,999	100.0	(2)1,583,496,987	85.2
Total Malaysian	**84,999,999**	**100.0**	**1,834,320,937**	**98.7**
Foreigners	-	-	(2)23,633,900	1.3
Total	**84,999,999**	**100.0**	**1,857,954,837**	**100.0**

Notes:

(1) Assuming all our Shares allocated to Bumiputera investors to be approved by the MITI under the Institutional Offering and Bumiputera public investors under the Retail Offering via balloting are fully subscribed.

(2) Assuming all our Shares are allocated to Malaysian and non-Bumiputera investors only as the actual subscribers cannot be determined at this juncture.

The SC has, via its letters dated 8 December 2021 and 15 February 2022, approved the reliefs sought by us from having to comply with certain requirements under the Equity Guidelines and the Prospectus Guidelines. The details of the reliefs sought are as follows:

Reference	Details of relief granted	Conditions imposed (if any)
Equity Guidelines		
Paragraphs 5.29(a) and 5.30, Part II	Relief from the moratorium requirement in respect of the following securities: (i) such number of Shares held by Farmchoice Foods, representing 1.272% of our enlarged share capital, to be distributed to Cahaya Bintang; and (ii) all securities held by Cahaya Bintang in Rainforest Capital and Farmchoice Foods, to be transferred to Loi Tuan Ee.	-

2. INTRODUCTION *(Cont'd)*

Reference	Details of relief granted	Conditions imposed (if any)
Paragraph 2 of Appendix 4, Part IV	Relief from complying with the requirement in respect of placement of initial public offering shares to be offered under the Institutional Offering to the following persons connected to the placement agents: (i) Maybank Asset Management Sdn Bhd; (ii) Maybank Islamic Asset Management Sdn Bhd; (iii) Principal Asset Management Bhd; and (iv) Principal Islamic Asset Management Sdn Bhd.	-
Paragraph 4(a), Appendix 4, Part IV	Relief from complying with the requirement in respect of placement of initial public offering shares to be offered under the Institutional Offering to the following persons connected to Khazanah, an existing shareholder of Farm Fresh: (i) Principal Asset Management Bhd; and (ii) Principal Islamic Asset Management Sdn Bhd.	-
Prospectus Guidelines		
Paragraph 4.01(d), Division 1, Part II	Relief from having to disclose the ultimate beneficial owner of Agrifood Resources in the Prospectus. The disclosure shall only be up to Khazanah.	-
Paragraph 13.01(b)(i), Division 1, Part II	Relief to allow the following terms in the joint venture agreement dated 23 February 2015 entered into between our Company and Bio Desaru Sdn Bhd ("**BDSB**") (as supplemented by a supplementary agreement dated 17 May 2018), to be redacted: (i) commitment fee for the development of the Desaru Farm; (ii) rate of dividends to be paid; (iii) percentage of contract works to be awarded to BDSB's nominees; and (iv) details of the Australian Friesian Sahiwal Breeding Programme, including amongst others, details on recording system, semen station and bull testing programme, nucleus herd and breed improvement.	-

The MITI has, via its letter dated 12 November 2021, informed that it has taken note and has no objection for us to implement our Listing.

Bursa Securities has, via its letter dated 24 January 2022, approved our Admission, our Listing and the listing of and quotation for the new Shares to be issued upon exercise of our ESOS Options.

The SAC has, via its letter dated 17 November 2021, classified our Shares as Shariah-compliant securities based on our latest audited financial information for the FYE 31 March 2021 and the Pro Forma Consolidated Statements of Financial Position as at 31 March 2021.

As the timeline for our expansion in Australia and our regional expansion outside of Malaysia is expected to be within 18 months and 24 months, respectively from the date of our Listing, we will make the necessary application accordingly to BNM for the remittance of the proceeds from our Public Issue towards investment activities outside Malaysia as and when required. Please refer to Section 4.6 of this Prospectus for further details on use of proceeds and the scheduled remittance of the proceeds from our Public Issue to our non-resident subsidiaries.

2.2 MORATORIUM ON OUR SHARES

In accordance with the Equity Guidelines, Loi Tuan Ee, Loi Tuan Kin, Rainforest Capital and Farmchoice Foods have accepted the moratorium placed on our Shares held directly by them as at the date of our Listing, and Cahaya Bintang has accepted the moratorium on our Shares held directly by them, arising from the declaration of a dividend-in-specie by Farmchoice Foods of our Shares after our Listing, for six months from the date of our Listing as set out below:

	After our IPO			
	Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised	
Name	**No. of Shares**	**%[(1)]**	**No. of Shares**	**%[(1)]**
Loi Tuan Ee	1	*	1	*
Loi Tuan Kin	1	*	1	*
Rainforest Capital	582,159,215	31.33	571,011,515	30.73
Farmchoice Foods	[(2)]267,445,720	14.39	[(2)]256,298,020	13.79
Cahaya Bintang	[(3)]23,633,900	1.27	[(3)]23,633,900	1.27

Notes:

* *Less than 0.01%.*

(1) *Based on our enlarged issued share capital of 1,857,954,837 Shares.*

(2) *Excluding 23,633,900 Shares, representing 1.27% equity interest in our Company, to be declared as a dividend-in-specie by Farmchoice Foods to Cahaya Bintang as described in Section 9.1.3 of this Prospectus.*

(3) *Following from the declaration of a dividend-in-specie by Farmchoice Foods of such number of Shares to Cahaya Bintang as described in Section 9.1.3 of this Prospectus.*

However, if the dividend-in-specie by Farmchoice Foods to Cahaya Bintang does not occur as described in Section 9.1.3 of this Prospectus, the remaining shareholdings of 310,369 ordinary shares held by Cahaya Bintang in Farmchoice Foods as at the date of our Listing will be placed under moratorium.

The following persons are not allowed to sell, transfer or assign all or any part of their entire shareholdings in respect of the following for a period of six months from the date of our Listing:

(i) the direct shareholders of Rainforest Capital, namely, Loi Tuan Ee, Loi Tuan Kin and Loi Foon Kion in respect of their shareholdings in Rainforest Capital;

(ii) the direct shareholders of Farmchoice Foods, namely, Loi Tuan Ee, Loi Tuan Kin, Azmi Bin Zainal, Adam Graeme Pretty and Mawai Capital in respect of their shareholdings in Farmchoice Foods; and

(iii) the direct shareholders of Mawai Capital, namely, Loi Tuan Ee, Loh Yong Huat, Chan Chung Hua, Saw Chee Wei, Lim Kee Teck, Koh Win Ton, Tee Leong Yong, Ng Chin Kuong and Loh Chun Chyuan, in respect of their shareholdings in Mawai Capital.

Loi Tuan Ee, Loi Tuan Kin, Jasmine Yeo Shin Yi, Loi Hean Kai, Loh Lee Mui and Foo Chen Yee are also not allowed to sell, transfer or assign any Shares that they may subscribe for following the exercise of the ESOS Options granted to them for a period of six months from the date of our Listing.

Cahaya Bintang Holdings Ltd, Diamond GP Holdings II Ltd, Dymon Asia Private Equity (S.E. Asia) II Ltd, DAPE Ltd, Dymon Asia Capital Ltd, Tan Keng Soon, Tan Chow Yin, Gerald Chiu Yoong Chian, Kan Shung Kei Kenneth, Kenneth William Tonkinson, Yuan Shuo (Shawn), Mark Mun Hoong Wong, Chan Lik Shuen, Luo Jiabin, Lim Kwang Hui, and Yong Ming Chong are also not allowed to sell, transfer or assign all or any part of their entire direct and/or indirect shareholdings (if any) in Cahaya Bintang for a period of six months from the date of our Listing.

The above restrictions do not apply:

(i) in respect of our Shares that may be sold pursuant to the Over-allotment Option to be granted by the Over-allotment Option Providers to the Stabilising Manager (on behalf of the Placement Managers); and

(ii) to the transfer of our Shares by the Over-allotment Option Providers as contemplated under the Share Lending Agreement, provided that the restriction will apply to our Shares returned to the Over-allotment Option Providers pursuant to the Share Lending Agreement.

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3. PROSPECTUS SUMMARY

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

3.1 PRINCIPAL DETAILS OF OUR IPO

Our IPO consists of the Institutional Offering and the Retail Offering, totalling up to 743,181,900 IPO Shares, representing up to about 40.0% of our enlarged issued share capital.

3.1.1 Institutional Offering

The Institutional Offering involves the offering of up to 687,443,200 IPO Shares, (comprising up to 520,227,200 Offer Shares and 167,216,000 Issue Shares) representing up to about 37.0% of our enlarged issued share capital, subject to the clawback and reallocation provisions and the Over-allotment Option as set out in Sections 4.2.4 and 4.2.5 of this Prospectus, at the Institutional Price to the following persons:

(i) 167,216,000 Issue Shares and up to 65,028,400 Offer Shares, in aggregate, representing up to about 12.5% of our enlarged issued share capital to Bumiputera investors approved by the MITI; and

(ii) up to 455,198,800 Offer Shares, in aggregate, representing up to about 24.5% of our enlarged issued share capital to:

(a) Malaysian institutional and selected investors (other than Bumiputera investors approved by the MITI); and

(b) foreign institutional and selected investors outside the United States in reliance on Regulation S.

3.1.2 Retail Offering

The Retail Offering involves the offering of 55,738,700 Issue Shares, representing about 3.0% of our enlarged issued share capital, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus, at the Retail Price to be allocated in the following manner:

(i) Allocation to the Eligible Persons

18,579,600 Issue Shares, representing about 1.0% of our enlarged issued share capital, are reserved for application by the Eligible Persons.

(ii) Allocation via balloting to the Malaysian Public

37,159,100 Issue Shares, representing about 2.0% of our enlarged issued share capital, are reserved for application by the Malaysian Public of which 18,579,550 Issue Shares have been set aside for application by Bumiputera citizens, individuals, companies, co-operatives, societies and institutions.

3.1.3 Moratorium on our Shares

In accordance with the Equity Guidelines, Loi Tuan Ee, Loi Tuan Kin, Rainforest Capital and Farmchoice Foods are not allowed to sell, transfer or assign any of its holding in our Shares as at the date of our Listing, for a period of six months from the date of our Listing. Cahaya Bintang is also not allowed to sell, transfer or assign any of its holding in our Shares arising from the declaration of a dividend-in-specie by Farmchoice Foods of our Shares after our Listing, for a period of six months from the date of our Listing.

The gross proceeds raised from our Public Issue and our Offer for Sale amounts to RM301.0 million and up to RM702.3 million, respectively. For detailed information relating to our IPO and moratorium on our Shares, see Sections 4.2 and 2.2 of this Prospectus, respectively.

3.2 HISTORY AND BUSINESS

Our Company was incorporated in Malaysia under the Companies Act, 1965 on 24 March 2010 as a private limited company under the name of The Holstein Milk Company Sdn Bhd and is deemed registered under the Act. On 24 May 2021, our Company changed its name to Farm Fresh Sdn Bhd. On 22 September 2021, our Company was converted into a public company and assumed the name of Farm Fresh Berhad.

The principal activity of our Company is that of rearing dairy cows and the sale of dairy cows' milk whilst, together with our subsidiaries, we form a fast-growing vertically integrated dairy group engaged in the business of farming, manufacturing and distribution of various dairy products and plant-based products. As at the LPD, our Group operates five dairy farms in Malaysia and one dairy farm in Australia.

As at the LPD, our Group has a diverse product portfolio which consists primarily of chilled RTD milk products, UHT/ambient RTD products, plant-based products, yoghurt products and fruit jam and sauces.

For further details on our history, group structure and business, see Sections 6 and 7 of this Prospectus.

3.3 COMPETITIVE STRENGTHS

Our competitive strengths are as follows:

(i) **One of the largest and fastest growing players in the attractive Malaysian dairy industry**

We are the largest integrated producer of dairy products made from fresh milk in Malaysia as at 2020, according to Frost & Sullivan, and we have a strong market position and growth track record across our product categories.

(ii) **Attractive and diversified portfolio of proprietary brands built on a fresh milk proposition and supported by culture of innovation**

Our brands are well-established names with broad recognition among local consumers, particularly due to our commitment to deliver fresh-milk-based products and to innovate to meet changing consumer tastes and preferences.

(iii) **Vertically integrated "grass-to-glass" model providing operational and financial benefits**

We have a presence across the upstream, midstream and downstream segments of the dairy industry, which we leverage on for our expansion and growth.

(iv) **Strong competitive advantage through gene bank ownership and notable farm management and animal husbandry practices**

As at December 2021, we own one of the largest remaining gene banks of the original AFS cattle globally, according to Frost & Sullivan, which coupled with our animal husbandry practices help us generate and maintain high yields and high quality milk from our dairy cows.

(v) **Extensive market penetration through multi-channel distribution network**

Our multi-channel distribution network covers all the states and key cities in Malaysia, allowing us to deliver our products to a broad range of customers in Malaysia and offering multiple routes to market for further penetration and growth.

(vi) Strong and experienced management team with significant emphasis on ESG initiatives

Our founder-led key senior management team have in aggregate over 33 years of experience in the dairy industry, and a track record of delivering organic and inorganic growth whilst placing importance on sustainable, socio-economic development and environmental goals.

For further details on our competitive strengths, see Section 7.2 of this Prospectus.

3.4 IMPACT OF THE COVID-19 PANDEMIC

The COVID-19 pandemic, together with the resulting travel restrictions and quarantine and lockdown measures imposed in Malaysia, has not had a material adverse impact on our business and operations. While the Government ordered all government and private premises to close with the imposition of a MCO pursuant to the Prevention and Control of Infectious Diseases (Measures within the Infected Local Areas) Regulations 2020 with effect from 18 March 2020 to 3 May 2020 (the "**First MCO Period**"), we were allowed to continue operating during that time as an "essential service" since we supply and produce milk and other dairy products which are consumed on a regular basis. The Government imposed another MCO with effect from 13 January 2021 to 18 February 2021 (the "**Second MCO Period**"). Subsequently, the Government announced a nationwide reimposition of the MCO with effect from 12 May 2017 to 7 June 2021 (the "**Third MCO Period**"). Following the increase in the number of new COVID-19 cases, the Government implemented a nationwide total lockdown with effect from 1 June 2021 to 14 June 2021 (the "**Full MCO Period**"). On 15 June 2021, the Government introduced a four-phase national recovery plan where different degrees of travel restrictions and restriction in the operation of various economic sectors are implemented in each phase of the national recovery plan (the "**National Recovery Plan**"). As at the LPD, the First MCO Period, the Second MCO Period, the Third MCO Period, the Full MCO Period or the National Recovery Plan has not had a material adverse impact on our business operations and financial condition.

For further details on the impact of the COVID-19 pandemic on our business, see Sections 5 and 7 of this Prospectus.

3.5 FUTURE PLANS AND STRATEGIES

Our future plans and strategies are as follows:

(i) Expand our capabilities across the value chain in Malaysia

We endeavour to sustain and enlarge our market position by expanding our upstream capacity while improving operational efficiency and deepening our distribution network.

(ii) Continue to develop and grow our product portfolio

We are well-placed to leverage on the current market recognition of our brands; our strength in product development, distribution network and product quality to enhance our product offering.

(iii) Regional expansion outside of Malaysia

We plan to increase our production capabilities in Australia through the expansion of our Kyabram Facility to further support our operations in Malaysia and Singapore as well as serve as an export hub to expand into the adjacent markets in the Southeast Asia and Asia Pacific regions.

For further details on our future plans and strategies, see Section 7.3 of this Prospectus.

3.6 DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, our Directors and key senior management are as follows:

Name	Designation
Directors	
Tan Sri Dato' Seri Haji Megat Najmuddin Bin Datuk Seri Dr Haji Megat Khas	Independent Non-Executive Chairman
Loi Tuan Ee	Non-Independent Executive Director
Loi Foon Kion	Non-Independent Non-Executive Director
Tan Mei Shwen Serena	Non-Independent Non-Executive Director
Sukanta Kumar Dutt	Independent Non-Executive Director
Dato' Dr Quaza Nizamuddin Bin A. Hassan Nizam	Independent Non-Executive Director
Jocelyn Ng Lai Leng	Independent Non-Executive Director
Key senior management	
Loi Tuan Ee	Non-Independent Executive Director, Group Managing Director and Group Chief Executive Officer
Azmi Bin Zainal	Group Chief Operating Officer
Loi Tuan Kin	Plant Operations Director
Mohd Khairul Bin Mat Hassan	Group Chief Financial Officer
Adam Graeme Pretty	Managing Director of the Australian Business
Jacob a/l Mathan	Group Senior Farm Manager

For further information on our Directors and key senior management, see Sections 9.2.1 and 9.3.1 of this Prospectus, respectively.

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3.7 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

The following table sets out the direct and indirect shareholdings of our Promoters and Substantial Shareholders in our Company before and after our IPO:

		Before our IPO[1]				After our IPO											
						Assuming the Over-allotment Option is not exercised[2]				Assuming the Over-allotment Option is fully exercised[2]				Upon Listing and assuming exercise of the ESOS Options[3]			
	Nationality/	Direct		Indirect		Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	Country of Incorporation	No. of Shares	%	No of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Promoters and Substantial Shareholders																	
Loi Tuan Ee	Malaysian	1	*	(4)1,144,500,135	70.00	1	*	(4)849,604,935	45.73	1	*	(4)827,309,535	44.52	5,000,001	0.26	(4)827,309,535	43.65
Rainforest Capital	Malaysia	763,000,115	46.67	-	-	582,159,215	31.33	-	-	571,011,515	30.73	-	-	571,011,515	30.13	-	-
Farmchoice Foods	Malaysia	381,500,020	23.33	-	-	(7)267,445,720	14.39	-	-	(7)256,298,020	13.79	-	-	(7)256,298,020	13.52	-	-
Substantial Shareholders																	
Agrifood Resources	Malaysia	490,500,000	30.00	-	-	241,534,100	13.00	-	-	219,238,600	11.80	-	-	219,238,600	11.57	-	-
Khazanah	Malaysia	-	-	(5)490,500,000	30.00	-	-	(5)241,534,100	13.00	-		(5)219,238,600	11.80	-	-	(5)219,238,600	11.57
Loi Foon Kion	Malaysian	-	-	(6)763,000,115	46.67	-	-	(6)582,159,215	31.33	-		(6)571,011,515	30.73	-	-	(6)571,011,515	30.13

Notes:

* *Less than 0.01%.*

(1) *Based on our enlarged issued share capital of 1,635,000,137 Shares after the Pre-IPO Exercise.*

(2) *Based on our enlarged issued share capital of 1,857,954,837 Shares upon Listing and assuming full subscription of our Issue Shares allocated under the Pink Form Allocations.*

(3) *Based on our enlarged issued share capital of 1,895,113,837 Shares after assuming full exercise of the 37,159,000 ESOS Options intended to be offered as described in Section 4.2.6 of this Prospectus.*

(4) *Deemed interested through Rainforest Capital and Farmchoice Foods pursuant to Section 8 of the Act.*

(5) *Deemed interested through Agrifood Resources pursuant to Section 8 of the Act.*

(6) *Deemed interested through Rainforest Capital pursuant to Section 8 of the Act.*

(7) *Excluding 23,633,900 Shares representing 1.272% equity interest in our Company, to be declared as a dividend-in-specie by Farmchoice Foods to Cahaya Bintang as described in Section 9.1.3 of this Prospectus.*

For further information on our Promoters and Substantial Shareholders, see Section 9.1 of this Prospectus.

3.8 RISK FACTORS

An investment in our Shares involves a number of risks, many of which are beyond our control. You should carefully consider all of the information contained in this Prospectus, including all the risk factors, before deciding to invest in our Shares.

The following is a summary of the key risks that we face in our business operations and industry:

(i) Our brand and reputation are pivotal to our business operations and continued success, and any negative publicity and/or negative perception of our brand or the value of our products may have an adverse impact on our business.

(ii) Failure to maintain the quality of our milk and milk yield may have an adverse effect on our business. Our total milk yield for the period commencing from 1 April 2021 up to the LPD in Malaysia and Australia is 14.7 litres per day and 29.8 litres per day, respectively.

(iii) Failure to manage our distribution network could adversely affect our relationship with distributors, our reputation, the sale of our products and our profitability. Over 85% of our products are sold through an extensive distribution network comprising large format retailers, stockists, home dealers, HORECA, export markets and convenience stores.

(iv) We may be affected by pandemics of infectious disease (such as COVID-19) or other health epidemics, natural disasters, terrorist attacks, armed conflicts and other events beyond our control. For further details on the breakdown of our revenue by distribution channel in Malaysia for FYE 31 March 2019, FYE 31 March 2020, FYE 31 March 2021 and FPE 30 September 2021, see Section 12.2.2(vii) of this Prospectus.

(v) We require licences, permits, approvals and certificates from relevant government authorities and regulatory agencies and benefit from incentives and exemptions from government authorities for our business operations. As at the LPD, the potential penalties applicable to us for not obtaining such licences, permits, and approvals is up to about RM0.3 million.

(vi) The dairy industry, especially the downstream business, is highly competitive. We might lose our market share or may not be able to maintain our pricing. According to Frost & Sullivan, we are the largest integrated producer of dairy products made from fresh raw milk and the second-largest player in the RTD milk category (market share of 18%) as well as the third-largest player in the yoghurt category (market share of 11%), in Malaysia for the nine-months ended 30 September 2021.

(vii) We may face demand decline due to changes in consumer preferences, which may materially and adversely affect our operating results.

(viii) Rising operational expansion costs could materially and adversely affect our business, financial condition, results of operations and prospects. For example, our transportation and logistics costs have increased from RM9.6 million in FYE 31 March 2019 to RM24.5 million in FYE 31 March 2021. In FPE 30 September 2021, our transportation and logistics costs totalled RM11.6 million.

For further details on our risk factors, see Section 5 of this Prospectus.

3.9 FINANCIAL AND OPERATIONAL HIGHLIGHTS

The following table sets out our selected historical consolidated financial data for the years/periods indicated.

	FYE 31 March			FPE 30 September	
	Audited			Unaudited	Audited
	2019	2020	2021	2020	2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	178,227	303,067	490,498	234,423	257,187
Cost of sales	(123,833)	(223,013)	(349,612)	(167,341)	(191,731)
GP	**54,394**	**80,054**	**140,886**	**67,082**	**65,456**
PBT	28,181	36,176	67,589	37,515	35,207
PAT attributable to:					
Owners of our Company	27,436	35,220	36,228	9,384	50,742
Non-controlling interests	(59)	(838)	(3,400)	(754)	(1,257)
% change in revenue(2)	-	70.0	61.8	-	9.7
GP margin (%)(3)	30.5	26.4	28.7	28.6	25.5
PBT margin (%)(4)	15.8	11.9	13.8	16.0	13.7
PAT margin (%)(5)	15.4	11.3	6.7	3.7	19.2

	FYE 31 March			FPE 30 September
	Audited			Audited
	2019	2020	2021	2021
	RM'000	RM'000	RM'000	RM'000
Total equity	163,811	197,765	241,030	282,842
Total loans borrowings (including lease liabilities)	64,477	153,714	248,957	284,176
Net debt(1)	60,990	146,235	237,233	224,548
Gearing ratio(6) (times)	0.39	0.78	1.03	1.00
Net gearing ratio(7) (times)	0.37	0.74	0.98	0.79

Notes:

(1) Computed based on total loans and borrowings (including lease liabilities) less cash and bank balances and deposits placed with licensed banks as at the end of the year.

(2) This reflects the percentage change in revenue compared to the prior financial year.

(3) Computed based on GP divided by revenue.

(4) Computed based on PBT divided by revenue.

(5) Computed based on PAT divided by revenue.

(6) Computed based on total loans and borrowings (including lease liabilities) over total equity as at the end of the year.

(7) Computed based on total loans and borrowings (including lease liabilities), net of cash and cash equivalents, over total equity as at the end of the year.

The following table sets out our selected operational data for the years indicated.

	FYE 31 March			FPE 30 September	
	2019	2020	2021	2020	2021
Milking cows[(1)]	**2,227**	**2,799**	**3,009**	**2,957**	**3,314**
- Malaysia	1,226	1,503	1,767	1,698	2,105
- Australia	1,001	1,296	1,242	1,259	1,209
Annual raw milk output (million litres)	**18.5**	**23.8**	**22.7**	**11.3**	**12.1**
- Malaysia	6.8	7.9	8.9	4.2	5.4
- Australia	11.7	15.9	13.8	7.1	6.7
Revenue from sales of raw milk (RM million)	**15.8**	**22.6**	**23.7**	**10.9**	**13.8**
Revenue from sales of dairy products (RM million)	**161.3**	**270.5**	**423.8**	**204.4**	**218.9**

Note:

(1) Milking cows represent the average number of milking cows over 12 months.

For further details on our historical consolidated financial data and operational data, see Sections 12 and 13 of this Prospectus.

3.10 USE OF PROCEEDS

We expect to use the gross proceeds from our Public Issue amounting to RM301 million[(1)] in the following manner:

Details of use of proceeds	Estimated timeframe for the use of proceeds upon Listing	RM'000	% of total gross proceeds from the Public Issue
1. **Capital expenditure of our Group**			
(i) Establishment of a new manufacturing hub, a new dairy farm and integrated processing facility in Malaysia	Within 24months	140,000	46.5
(ii) Expansion of our production facility in Australia	Within 18 months	60,000	19.9
(iii) Regional expansion outside of Malaysia	Within 24 months	40,000	13.3
2. **Working capital**	Within 12 months	40,789	13.6
3. **Estimated listing expenses**	Within 3 months	20,200	6.7
Total		**300,989**	**100.0**

Note:

(1) We have assumed that the Institutional Price and the Final Retail Price will be equal to the Retail Price.

For detailed information relating to the use of proceeds arising from our Public Issue, see Section 4.6 of this Prospectus.

3.11 DIVIDEND POLICY

No inference should be made from any of the foregoing statements as to our actual future profitability or our ability to pay dividends in the future.

We have not declared or paid dividends to our shareholders for the past three financial years and up to the LPD. We target a payout ratio of approximately 25% of our net profit of each fiscal year on a consolidated basis after taking into account working capital and maintenance capital requirements, subject to the confirmation of our Board as well as any applicable law, licence conditions and contractual obligations and provided that such distribution will not be detrimental to our Group's cash requirements or any plans approved by our Board. For further details on our dividend policy, see Section 12.4 of this Prospectus.

3.12 SUSTAINABILITY

Our sustainability efforts are anchored around three focus areas, namely quality dairy, stronger communities and healthier planet. We are focused on building strategies that would create value and drive impact in the long term to our stakeholders, including customers, employees, government and regulators, investors and local communities.

For further details on our sustainability efforts, see Section 7.15 of this Prospectus.

3.13 NON-COMPLIANCE

Our Group is in the process of obtaining a number of relevant licences, certificates and approvals required for our business operations. Below is a summary of our Group's non-compliance incidents which may not be rectified prior to our Listing:

(i) in relation to our Mawai Farm:

  (a) development of Mawai Farm without planning permission, construction of buildings without building plan approval, occupation of buildings without CCC, operating the farm without business premise licence and providing employees' accommodation without a certificate for accommodation and abstraction of water without a water abstraction licence; and

  (b) the current land usage of Mawai Farm is a breach of the express condition set out in the land title.

  In FPE 30 September 2021, the raw milk output from our Mawai Farm is about 2.4% of our Group's total production requirement;

(ii) construction and occupation of barns on Muadzam Shah Farm without building plan approval and CCC. In FPE 30 September 2021, the raw milk output from our Muadzam Shah Farm is about 9.2% of our Group's total production requirement;

(iii) construction and occupation of buildings on Taiping Farm without building plan approval and CCC and operating the farm without business premise licence. In FPE 30 September 2021, the raw milk output from our Taiping Farm is about 0.2% of our Group's total production requirement;

(iv) occupation of buildings on UPM Farm without CCC. In FPE 30 September 2021, the raw milk output from our UPM Farm is about 1.6% of our Group's total production requirement; and

(v) construction and occupation of a warehouse on Muadzam Shah Facility without building plan approval and CCC.

In FPE 30 September 2021, about 85.7% of the raw milk we require for our operations were purchased from external third parties. As such, notwithstanding the contribution of raw milk output from our farms as described above, we do not expect the non-compliance incidents to have a material adverse impact to our Group's total production requirement.

Notwithstanding that the outstanding non-compliance incidents may remain unresolved by the time of our Listing, our Group undertakes to procure the necessary and continue making the necessary applications to or engage with the relevant authorities to resolve the same. These will include our management following up closely and liaising with the relevant authorities to address any queries and requirements raised by the relevant authorities throughout the application and deliberation process until a resolution is achieved.

For further details on non-compliance incidents and the rectification measures taken by our Group, see Section 7.17 of this Prospectus.

3.14 TAX ISSUE

One of our subsidiaries, FFMSB, has been granted Agricultural Tax Incentive for the rearing of goats/cows and milk processing projects. While FFMSB filed its prior years' taxes on the basis that it enjoyed full tax incentive on its operation, certain milk processing plants of FFMSB had not been notified to MAFI and consequently not added as approved locations on a timely basis. An amount of RM25,708,582 of tax liability and penalty in respect of the non-approved locations for the relevant year(s) of assessment ("**YA**") from 2014 to 2020 and RM10,490,033 for YA 2021 have been recognised during the FYE 2021. Upon a subsequent application to the MOF, we have received approval on 24 December 2021 that the Larkin Facility is approved for a new Tax Incentive under Section 127 (3A) of Income Tax Act, 1967. Under this incentive, we are allowed to claim income tax exemption on the statutory income arising from qualifying projects conducted in the Larkin Facility for 10 (5+5) years commencing from YA 2021. Accordingly, we have reversed the tax payable amount of RM10,490,033 for YA 2021 previously recorded in the FYE 31 March 2021.

For further details on the tax issue, see Section 12.2.2(xi) of this Prospectus.

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4. DETAILS OF OUR IPO

4.1 INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative times and/or dates:

Event	Time and/or Date
Opening of the Institutional Offering[1]	28 February 2022
Issuance of the Prospectus/Opening of the Retail Offering	10:00 a.m., 28 February 2022
Closing of the Retail Offering	5:00 p.m., 8 March 2022
Closing of the Institutional Offering	10 March 2022
Price Determination Date	10 March 2022
Balloting of applications for our Issue Shares under the Retail Offering	11 March 2022
Allotment/Transfer of our IPO Shares to successful applicants	18 March 2022
Listing	22 March 2022

Note:

(1) Other than the Institutional Offering to the Cornerstone Investors. The Master Cornerstone Placement Agreement for the acquisition/subscription of our IPO Shares by the Cornerstone Investors was entered into on 23 February 2022.

In the event there is any change to the timetable, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia.

4.2 PARTICULARS OF OUR IPO AND PLAN OF DISTRIBUTION

Our IPO is subject to the terms and conditions of this Prospectus. Upon acceptance, our IPO Shares are expected to be allocated in the manner described below, subject to the clawback and reallocation provisions and the Over-allotment Option as set out in Sections 4.2.4 and 4.2.5 of this Prospectus, respectively.

Our IPO consists of the Institutional Offering and the Retail Offering, totalling up to 743,181,900 IPO Shares, representing up to about 40.0% of our enlarged issued share capital. For the avoidance of doubt, our IPO Shares offered under the Institutional Offering and the Retail Offering do not include our Shares under the Over-allotment Option.

4.2.1 Pre-IPO Exercise

In conjunction with our Listing, on 27 December 2021, our Company undertook the Bonus Issue of 1,550,000,138 new Shares to our existing shareholders for the purposes of increasing the number of our issued Shares in order to facilitate our IPO and Listing. The Bonus Issue was implemented without capitalising the retained earnings or reserves of Farm Fresh and such new Shares were issued at nil consideration.

The Bonus Issue was completed and Shares were credited as fully paid-up on a pro-rata basis to our existing shareholders based on their respective shareholdings in Farm Fresh such that their effective shareholding in Farm Fresh will be the same before and after the Bonus Issue, as follows:

	Before the Bonus Issue				After the Bonus Issue			
	Direct		Indirect		Direct		Indirect	
Name	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Rainforest Capital	39,666,668	46.67	-	-	763,000,115	46.67	-	-
Farmchoice Foods	19,833,332	23.33	-	-	381,500,020	23.33	-	-
Agrifood Resources	25,499,997	30.00	-	-	490,500,000	30.00	-	-
Loi Tuan Ee(1)	1	*	(2)59,500,000	70.00	1	*	(2)1,144,500,135	70.00
Loi Tuan Kin(1)	1	*	-	-	1	*	-	-
Total	**84,999,999**	**100.00**			**1,635,000,137**	**100.00**		

Notes:

* *Less than 0.01%.*

(1) *Loi Tuan Ee and Loi Tuan Kin have waived their entitlement to any bonus shares issued under the Bonus Issue.*

(2) *Deemed interested through Rainforest Capital and Farmchoice Foods pursuant to Section 8 of the Act.*

4.2.2 Institutional Offering

Institutional Offering at the Institutional Price payable in full upon allocation and determined by way of bookbuilding.

The Institutional Offering involves the offering of up to 687,443,200 IPO Shares (comprising up to 520,227,200 Offer Shares and 167,216,000 Issue Shares), representing up to about 37.0% of our enlarged issued share capital, subject to the clawback and reallocation provisions and the Over-allotment Option as set out in Sections 4.2.4 and 4.2.5 of this Prospectus, at the Institutional Price to the following persons:

(i) 167,216,000 Issue Shares and up to 65,028,400 Offer Shares, in aggregate, representing up to about 12.5% of our enlarged issued share capital to Bumiputera investors approved by the MITI; and

(ii) up to 455,198,800 Offer Shares, in aggregate, representing up to about 24.5% of our enlarged issued share capital to:

  (a) Malaysian institutional and selected investors (other than Bumiputera investors approved by the MITI); and

  (b) foreign institutional and selected investors outside the United States in reliance on Regulation S.

As part of the Institutional Offering, on 23 February 2022, our Company and the Selling Shareholders, entered into a Master Cornerstone Placement Agreement with the Joint Global Coordinators and Cornerstone Investors whereby the Cornerstone Investors have agreed to acquire and/or subscribe for an aggregate of 547,188,694 IPO Shares, representing about 29.5% of our enlarged issued share capital at RM1.35 per IPO Share or the Institutional Price, whichever is lower, on the terms and subject to the conditions as set out in the Master Cornerstone Placement Agreement and the relevant individual cornerstone placement agreements. None of the Cornerstone Investors will individually acquire or subscribe for 5.0% or more of our Company's enlarged issued share capital under the cornerstone placement agreements.

The cornerstone placement agreements are conditional upon, amongst others, the Retail Underwriting Agreement and the Placement Agreement being entered into and not having been terminated under their respective terms.

4.2.3 Retail Offering

Retail Offering at the Retail Price of RM1.35 per Share, payable in full upon application. If the Final Retail Price is less than the Retail Price, the difference will be refunded to the investors.

The Retail Offering involves the offering of 55,738,700 Issue Shares, representing about 3.0% of our enlarged issued share capital, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus, at the Retail Price to be allocated in the following manner:

(i) Allocation to the Eligible Persons

18,579,600 Issue Shares, representing about 1.0% of our enlarged issued share capital, are reserved for application by the Eligible Persons in the following manner:

Eligible Persons[(1)]	No. of Eligible Persons	Aggregate no. of Issue Shares allocated
Our Directors[(2)]	3	1,500,000
Eligible employees of our Group [(3)]	583	8,500,000
Persons who have contributed to the success of our Group[(4)]	200	8,579,600
Total	**786**	**18,579,600**

Notes:

(1) Subject to the clawback and reallocation provisions and the Over-allotment Option as set out in Sections 4.2.4 and 4.2.5 of this Prospectus, all the Eligible Persons are eligible to apply for any amount of Excess Issue Shares (as defined below) made available to the Eligible Persons over and above their pre-determined allocation.

(2) *The criteria for allocation to our Directors (save for Sukanta Kumar Dutt and our Non-Independent Directors) are based on, amongst others, their respective roles and responsibilities in, and contribution to our Group and they collectively will be allocated a total of 1,500,000 Issue Shares as follows:*

Name	***No. of Issue Shares allocated***
Tan Sri Dato' Seri Haji Megat Najmuddin Bin Datuk Seri Dr Haji Megat Khas	*500,000*
Dato' Dr Quaza Nizamuddin Bin A. Hassan Nizam	*500,000*
Jocelyn Ng Lai Leng	*500,000*

(3) *The allocation to the eligible employees of our Group is to be made to full-time confirmed employees of our Group based on length of service, performance, job grade and their past contributions to our Group leading up to our Listing.*

(4) *The criteria for allocation is based on, amongst others, their contributions to the success of our Group, their length of business relationship with us and their sales performance. Persons who have contributed to the success of our Group include our stockists, home dealers, distributors, suppliers and vendors.*

(ii) Allocation via balloting to the Malaysian Public

37,159,100 Issue Shares, representing about 2.0% of our enlarged share capital, are reserved for application by the Malaysian Public of which 18,579,550 Issue Shares have been set aside for application by Bumiputera citizens, individuals, companies, co-operatives, societies and institutions. Any Issue Shares not subscribed by such Bumiputera investors will be made available for application by other Malaysian investors under the Retail Offering.

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

In summary, our IPO Shares will be allocated subject to the clawback and reallocation provisions and the Over-allotment Option as set out in Sections 4.2.4 and 4.2.5 of this Prospectus, in the following manner:

	Offer for Sale		Public Issue		Total	
Category	**No. of Shares**	**% of our enlarged issued share capital[1]**	**No. of Shares**	**% of our enlarged issued share capital[1]**	**No. of Shares**	**% of our enlarged issued share capital[1]**
Retail Offering:						
Eligible Persons:						
- Our Directors	-	-	1,500,000	0.1	1,500,000	0.1
- Eligible employees of our Group	-	-	8,500,000	0.4	8,500,000	0.4
- Persons who have contributed to the success of our Group	-	-	8,579,600	0.5	8,579,600	0.5
Malaysian Public (via balloting)						
- Bumiputera	-	-	18,579,550	1.0	18,579,550	1.0
- Non-Bumiputera	-	-	18,579,550	1.0	18,579,550	1.0
Sub-total	**-**	**-**	**55,738,700**	**3.0**	**55,738,700**	**3.0**
Institutional Offering:						
- Bumiputera investors approved by the MITI	65,028,400	3.5	167,216,000	9.0	232,244,400	12.5
- Other Malaysian and foreign institutional and selected investors	455,198,800	24.5	-	-	455,198,800	24.5
Sub-total	**520,227,200**	**28.0**	**167,216,000**	**9.0**	**687,443,200**	**37.0**
Total	**520,227,200**	**28.0**	**222,954,700**	**12.0**	**743,181,900**	**40.0**

Note:

(1) Based on the enlarged issued share capital of our Company of 1,857,954,837 Shares.

The completion of the Retail Offering and the Institutional Offering are inter-conditional. Our IPO is also subject to the public shareholding spread requirement under the Listing Requirements as set out in Section 4.2.10 of this Prospectus.

4.2.4 Clawback and reallocation

The Institutional Offering and the Retail Offering will be subject to the following clawback and reallocation provisions:

(i) if our IPO Shares allocated to Bumiputera investors approved by the MITI ("**MITI Tranche**") are under-subscribed, such IPO Shares which are not taken up will be allocated to other Malaysian institutional investors under the Institutional Offering.

If after the above reallocation, the MITI Tranche is still under-subscribed under the Institutional Offering, and there is a corresponding over-subscription for Issue Shares by the Malaysian Public under the Retail Offering, our IPO Shares will be clawed back from the MITI Tranche and allocated firstly, to the Bumiputera public investors under the Retail Offering, and thereafter to the Malaysian Public under the Retail Offering;

(ii) if our Issue Shares allocated to the Eligible Persons are under-subscribed, such Issue Shares may be allocated to the other Malaysian and foreign institutional and selected investors under the Institutional Offering or the Malaysian Public under the Retail Offering or a combination of both, at the discretion of the Joint Global Coordinators and us;

(iii) subject to items (i) and (ii) above, if there is an over-subscription in the Retail Offering and there is a corresponding under-subscription in the Institutional Offering, our IPO Shares may be clawed back from the Institutional Offering and allocated to the Retail Offering; and

(iv) subject to item (ii) above, if there is an over-subscription in the Institutional Offering and there is a corresponding under-subscription in the Retail Offering, our Issue Shares may be clawed back from the Retail Offering and allocated to the Institutional Offering.

There will be no clawback and reallocation if there is an over-subscription or under-subscription in both the Institutional Offering and the Retail Offering or an under-subscription in either the Institutional Offering or the Retail Offering but no over-subscription in the other.

Any Issue Shares not taken up by the Eligible Persons ("**Excess Issue Shares**") will be made available for application by the other Eligible Persons who have applied for Excess Issue Shares over and above their pre-determined allocation and allocated on a fair and equitable basis and in the following priority:

(a) firstly, allocation on a pro-rata basis to our Directors and eligible employees of our Group who have applied for the Excess Issue Shares based on the number of Excess Issue Shares applied for;

(b) secondly, allocation of any surplus Excess Issue Shares after (a) above on a pro-rata basis to persons who have contributed to the success of our Group who have applied for the Excess Issue Shares based on the number of Excess Issue Shares applied for; and

(c) thirdly, to minimise odd lots.

Our Board reserves the right to allot Excess Issue Shares applied in such manner as it may deem fit and expedient in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in items (a) to (c) above is achieved. Our Board also reserves the right to accept or reject any Excess Issue Shares application, in full or in part, without assigning any reason.

Once completed, the steps involving items (a) to (c) above will not be repeated. Should there be any balance of Excess Issue Shares thereafter, such balance will be made available for clawback and reallocation as described in item (ii) above. Any Issue Shares under the Retail Offering not applied for after being subject to the clawback and reallocation provisions above shall be underwritten by the Joint Underwriters, subject to the clawback and reallocation provisions.

To the best of our knowledge and belief, there is no person who intends to subscribe for more than 5.0% of our IPO Shares.

4.2.5 Over-allotment Option

The Over-allotment Option Providers may grant an Over-allotment Option to the Stabilising Manager (on behalf of the Placement Manager(s)) and may together with our Company appoint the Stabilising Manager to undertake any price stabilisation actions. The Stabilising Manager (or person(s) acting on behalf of the Stabilising Manager) may at its absolute discretion, over-allot our Shares (on behalf of the Placement Manager(s)) and subsequently, effect transactions to stabilise or maintain the market price of our Shares at levels that might not otherwise prevail in the open market.

Such transactions consist of bids or purchases to peg, fix or maintain the price of our Shares. If the Stabilising Manager creates a short position in our Shares in connection with the Institutional Offering, the Stabilising Manager may reduce that short position by purchasing our Shares in the open market. The Stabilising Manager may also elect to reduce any short positions by exercising all or part of the Over-allotment Option.

If granted, the Over-allotment Option will be exercisable in whole or in part by the Stabilising Manager, on one or more occasions, by giving written notice to the Over-allotment Option Providers at any time, within 30 days from the date of our Listing, to purchase from the Over-allotment Option Providers up to an aggregate of 44,590,900 Shares, representing up to about 6.0% of the total number of IPO Shares offered, solely for purposes of covering over-allotments of our Shares (if any).

Subject to there being an over-allotment, the Stabilising Manager will (on behalf of the Placement Manager(s)) enter into the Share Lending Agreement with the Over-allotment Option Providers to borrow up to an aggregate of 44,590,900 Shares to cover the over-allotments. Any Shares that may be borrowed by the Stabilising Manager under the Share Lending Agreement will be returned by the Stabilising Manager to the Over-allotment Option Providers either through the purchase of our Shares in the open market by the Stabilising Manager in the conduct of the stabilisation activities or deemed returned through the exercise of the Over-allotment Option by the Stabilising Manager, or a combination of both. The exercise of the Over-allotment Option will not increase the total number of our Shares issued and is not intended to constitute an offer for sale of our Shares by the Over-allotment Option Providers under our IPO.

Purchases of a security to stabilise the price or to cover the over-allotment may cause the price of the security to be higher than it might be in the absence of these purchases. Such transactions may be effected on the Main Market of Bursa Securities and in other jurisdictions where it is permissible to do so, in each case, in compliance with all applicable laws and regulations, including the CMSA and any regulations thereunder. The number of Shares that the Stabilising Manager (or person(s) acting on behalf of the Stabilising Manager) may buy to undertake stabilising action shall not exceed an aggregate of 44,590,900 Shares, representing up to about 6.0% of the total number of IPO Shares offered. However, there is no obligation on the Stabilising Manager (or person(s) acting on behalf of the Stabilising Manager) to undertake such stabilising action. Such stabilising actions may commence on or after the commencement of trading of our Shares on the Main Market of Bursa Securities and, if commenced, may be discontinued at any time and cannot be effected after the earlier of: (i) the date falling 30 days from the commencement of trading of our Shares on the Main Market of Bursa Securities; or (ii) the date when the Stabilising Manager has bought on the

Main Market of Bursa Securities an aggregate of 44,590,900 Shares, representing up to about 6.0% of the total number of IPO Shares offered to undertake the stabilisation action.

Neither our Company, the Over-allotment Option Providers nor the Stabilising Manager makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our Shares. In addition, neither our Company, the Over-allotment Option Providers nor the Stabilising Manager makes any representation that the Stabilising Manager will engage in such transactions, or that such transactions once commenced, will not be discontinued without notice (unless such notice is required by law).

4.2.6 ESOS

In conjunction with our Listing, we have established an ESOS which involves the granting of ESOS Options to our eligible Directors and employees of our Group.

The ESOS shall be administered by the ESOS committee and governed by the By-Laws.

The salient features of the ESOS are as follows:

(i) Maximum number of new Shares available under the ESOS

The total number of new Shares which may be made available under the ESOS shall not exceed in aggregate 5.0% of our total number of issued Shares (excluding treasury shares, if any) at any one time during the duration of the ESOS ("**Maximum Limit**").

In conjunction with our Listing, we intend to offer up to 37,159,000 ESOS Options under the First Tranche of the ESOS to our eligible Directors and employees of our Group, representing up to about 2.0% of our enlarged issued share capital upon Listing. The Maximum Limit of our ESOS upon Listing is 92,897,700 ESOS Options, representing about 5.0% of our total number of issued Shares (excluding treasury shares).

(ii) Basis of allocation and maximum allowable allocation

Subject to any adjustments as may be made under the By-Laws, the aggregate number of new Shares which may be offered and allotted under the ESOS to our eligible Directors and employees of our Group shall be determined by the ESOS committee at its sole and absolute discretion, after taking into consideration, amongst others, the eligible Director or employee's position, ranking, performance, contribution, seniority, length of service, fulfilment of the eligibility criteria as referred to in the By-Laws or such other matters which the ESOS committee may in its sole and absolute discretion deem fit, subject to the following:

(a) the aggregate number of new Shares to be issued under the exercise of the ESOS Options granted under the ESOS shall not exceed the Maximum Limit and the ESOS committee shall not be obliged in any way to offer an eligible Director or employee the ESOS Options for all the specified maximum number of Shares the eligible Director or employee is entitled to under the ESOS;

(b) any offer, allocation of ESOS Options under the ESOS and the related allotment of Shares to any eligible Directors or the chief executive officer of our Company and any person connected with them, shall require prior approval of the shareholders of our Company in a general meeting, and they shall not vote on the resolution approving their respective offer, allocation and allotment;

(c) the eligible Directors and senior management shall not be allowed to participate in the deliberation or discussion of their respective allocation of ESOS Options and/or allocation of ESOS Options to persons connected with them under the ESOS;

(d) not more than 10% of Shares available under the ESOS shall be allocated to any eligible Director or employee, who, either singly or collectively through the persons connected with the eligible Director or employee, holds 20% (or such other percentage as the relevant authorities may permit) or more of the number of issued Shares (excluding treasury shares, if any) of our Company; and

(e) any performance target to be achieved before the ESOS Options can be granted and/or exercised by an eligible Director or employee shall be determined by the ESOS committee.

(iii) Duration of the ESOS

The ESOS shall be in force for a period of 10 years commencing from the effective date ("**ESOS Period**").

(iv) Eligibility

An Executive Director or employee of any company within our Group which is not dormant who as at the date the offer is made in writing by the ESOS committee to him ("**Date of Offer**"), fulfils the following conditions shall be eligible for participation in the ESOS:

(a) has attained 18 years of age;

(b) is not an undischarged bankrupt nor subject to any bankruptcy proceedings;

(c) must have been confirmed in service;

(d) where the employee or Executive Director is under an employment contract, the contract is for a duration of at least one year and has not expired within three months from the Date of Offer;

(e) remains an employee of our Group and has not given any notice of resignation or received a notice of termination or has otherwise ceased or had his/her employment terminated;

(f) in the case of the Executive Director or employee of a corporation which is acquired by our Group during the ESOS Period and such corporation becomes a subsidiary of our Company upon completion of such acquisition, the Executive Director or employee must have completed a continuous period of employment of at least one (1) year in our Group from the date of confirmation of employment (which for the avoidance of doubt shall exclude any probation period), following the date that such corporation becomes or is deemed to be a subsidiary of our Company;

(g) where the Executive Director or employee has attained the mandatory retirement age of sixty (60) years old, such Executive Director or employee shall have served for a continuous period of at least one (1) year in any corporation in our Group prior to attaining the said mandatory retirement age, and subsequently offered continued employment with such corporation for a minimum period of one (1) year and at the time of consideration for the offer, he continues to be so employed;

(h) in respect of all foreign Executive Directors and/or employees (i.e. persons who are not Malaysian citizens) where in the opinion of the ESOS committee the contribution of such Executive Director and/or employee is vital to our Group, such Executive Director and/or employee shall be eligible to participate in the ESOS, subject to the provisions of the By-Laws, if the required approvals (if any) from the relevant authorities have been obtained by our Company or such Executive Director or employee (as the case may be), and such Executive Director and/or employee is, on the Date of Offer, under a subsisting employment contract and has served for at least a period of one (1) year from the date of confirmation of employment (which for the avoidance of doubt shall exclude any probation period) prior to the Date of Offer; and

(i) has fulfilled any other criteria as may be imposed by the ESOS committee from time to time,

provided always that the selection of any eligible Director or employee for participation in the ESOS shall be at the sole and absolute discretion of the ESOS committee and the decision of the ESOS committee shall be final, binding and conclusive.

(v) Exercise price

Subject to any adjustments made under the By-Laws and under the Listing Requirements, the exercise price at which the Grantee will be entitled to subscribe for every new Share by exercising the ESOS Options shall be:

(a) in respect of the First Tranche of the ESOS, the Final Retail Price; and

(b) in respect of any offer which is made subsequent to our Listing, as determined by the ESOS committee and shall be based on the five-day volume weighted average market price of our Shares immediately preceding the Date of Offer, with a discount, if any, provided always that such discount is no more than 10.0%, if deemed appropriate, or such other percentage of discount as may be permitted by any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time during the option period.

The exercise price as determined in the manner set out above shall be conclusive and binding on the Grantee.

(vi) Vesting period

Subject to the terms and conditions set out in the offer letter to be issued to the respective employees, the vesting period for the First Tranche of the ESOS shall be as follows:

	First Tranche of the ESOS	
Vesting period	**Malaysia**	**Australia**
1st year	1/3	1/4
2nd year	1/3	1/4
3rd year	1/3	1/2

The ESOS committee shall have the sole and absolute discretion in determining whether the granting of the ESOS Options to the eligible Director or employee will be based on staggered granting over the duration of the ESOS or in one single grant. The ESOS committee shall also have sole and absolute discretion in determining whether the ESOS Options granted are subject to any vesting period and if so the vesting conditions and whether such vesting conditions are subject to any performance targets.

(vii) Trust

Our Company intends to establish a trust to be administered by the trustee for the purposes of implementing the ESOS ("**Trust**"). The appointed trustee shall administer the Trust in accordance with the trust deed ("**Trustee**") and shall, in particular, be responsible for the administration of the ESOS.

The Trustee shall open and maintain a trust account into which our Company and/or our subsidiaries shall inject monies for the purposes of the ESOS, in particular to enable the Trustee to use the same to subscribe for Shares and to pay for expenses in relation to the administration of the Trust in accordance with the By-Laws.

Upon the Trustee receiving a written instruction from the ESOS committee that a Grantee has elected to exercise his ESOS Option(s) under the By-Laws, the Trustee shall use the monies in the trust account to subscribe for such number of new Shares in respect of which the written instruction is given. The Grantee would not be required to make any payment in respect of the ESOS Option(s) exercised as the funding of the exercise price is provided by our Company (via the Trustee) to the Trust.

Our Company shall allot and issue the said new Shares which will be placed into a CDS account of the Trustee or its authorised nominee.

Subject to there being sufficient monies in the trust account, the Trustee or its authorised nominee shall be irrevocably authorised and instructed to assist with the sale and transfer of such number of Shares in respect of which such instruction is given, and the proceeds from the sale of the Shares shall be credited into the trust account.

The net gains from the sale of the said Shares after deducting the exercise cost i.e. exercise price x number of Shares (in respect of which the written instruction is given) and the related transaction costs, will be released to such Grantee. The balance of the proceeds, if any, will remain in the trust account may be used by the Trustee towards subsequent subscription of shares and administration expenses.

Our Board shall have power from time to time to appoint or rescind the appointment of the Trustee as it deems fit in accordance with the provisions of the trust deed.

The following is the proposed specific allocation of the ESOS Options to our eligible Directors, key senior management and persons connected with them under the First Tranche of the ESOS:

Name	Designation	No. of ESOS Options allocated
Director		
Loi Tuan Ee	Non-Independent Executive Director, Group Managing Director and Group Chief Executive Officer	5,000,000
Key senior management		
Azmi Bin Zainal	Group Chief Operating Officer	3,500,000
Loi Tuan Kin	Plant Operations Director	2,000,000
Mohd Khairul Bin Mat Hassan	Group Chief Financial Officer	2,000,000
Adam Graeme Pretty	Managing Director of Australian Business	3,000,000
Jacob a/l Mathan	Group Senior Farm Manager	1,500,000
Persons connected		
Jasmine Yeo Shin Yi(1)	Head of Research & Development	500,000
Loi Hean Kai(2)	Business Development Executive	150,000
Loh Lee Mui(3)	Personal Assistant to Loi Tuan Ee	50,000
Foo Chen Yee(4)	Personal Assistant to Loi Tuan Kin	50,000
Total		**17,750,000**

Notes:

(1) *Daughter-in-law of Loi Tuan Ee.*

(2) *Son of Loi Tuan Ee.*

(3) *Wife of Loi Tuan Ee.*

(4) *Sister-in-law of Loi Tuan Ee.*

The balance of up to 19,409,000 ESOS Options under the First Tranche of the ESOS will be granted to other eligible directors and employees of our Group (including our subsidiaries), who are not Directors of our Company and persons connected with them.

Any further offer, allocation or allotment under the ESOS to any of our eligible Directors and persons connected with them other than as stated above shall require the prior approval of our shareholders in a general meeting.

In conjunction with our Listing, we intend to offer up to 37,159,000 ESOS Options to our Directors and employees, who meet the eligibility criteria to participate in the ESOS as set out in the By-Laws in Annexure D of this Prospectus. Assuming the 37,159,000 ESOS Options are fully exercised into 37,159,000 new Shares, such Shares represent about 2.0% of our enlarged issued share capital upon Listing. In compliance with item (v)(a) above, the exercise price for the said 37,159,000 ESOS Options shall be the Final Retail Price.

The grant of the ESOS Options in conjunction with our Listing will not have an immediate effect on the consolidated NA and NA per Share until such time new Shares are issued when the ESOS Options are exercised.

For illustrative purposes only, assuming the entire 37,159,000 ESOS Options are granted and vested immediately upon Listing, and that all ESOS Options are exercised at an exercise price of RM1.35 each, being the Retail Price, the indicative pro forma financial effects are as follows:

	After our IPO	
	Upon Listing	Upon Listing and assuming exercise of the above ESOS Options
	RM'000	RM'000
NA attributable to owners of the Company	578,931	629,096
Total equity	583,831	633,996
No. of Shares ('000)	1,857,955	1,895,114
NA per Share (RM)	0.31	0.33
Total loans and borrowings (including lease liabilities)	284,176	284,176
Gearing ratio (times)[(1)]	0.49	0.45

Note:

(1) Computed based on total loans and borrowings (including lease liabilities) divided by total equity.

Any potential effect on the consolidated NA per Share would depend on the number of ESOS Options that have vested and the exercise price of the ESOS Options, which shall be the Final Retail Price. In accordance with Clause 9 of the By-Laws (as set out in Annexure D of this Prospectus), the aggregate number of Shares that a Grantee can subscribe under the ESOS Options in a particular year shall be determined by the ESOS committee at its sole and absolute discretion.

4.2.7 Classes of shares and ranking

As at the date of this Prospectus, we only have one class of shares, being ordinary shares.

Our Issue Shares will, upon allotment and issue, rank equally in all respects with our existing issued Shares including voting rights, and will be entitled to all rights, dividends and other distributions that may be declared subsequent to the date of allotment of the Issue Shares, subject to any applicable Rules of Bursa Depository.

The Offer Shares rank equally in all respects with our other existing issued Shares including voting rights, and will be entitled to all rights, dividends and other distributions that may be declared subsequent to the date of transfer of the Offer Shares, subject to any applicable Rules of Bursa Depository.

Subject to any special rights attaching to any Shares we may issue in the future, our shareholders shall, in proportion to the amount paid on our Shares held by them, be entitled to share the profits paid out by us in the form of dividends and other distributions. Similarly, if our Company is liquidated, our shareholders shall be entitled to the surplus (if any), in accordance with our Constitution after the satisfaction of any preferential payments in accordance with the Act and our liabilities.

At every general meeting of our Company, each of our shareholders shall be entitled to vote in person, by proxy or by attorney or by other duly authorised representative. Any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll. On a poll, each shareholder present either in person, by proxy, by attorney or by other duly authorised representative shall have one vote for each Share held or represented. A proxy may but need not be a member of our Company.

4.2.8 Share capital

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

	No. of Shares	RM'000
After the Pre-IPO Exercise	1,635,000,137	87,780
To be issued under our Public Issue	222,954,700	(1)292,962
Enlarged issued share capital upon Listing	**1,857,954,837**	**380,742**

Note:

(1) Calculated based on the Retail Price and after adjusting against our share capital, the estimated listing expenses of approximately RM8.0 million assumed to be directly attributable to the Public Issue.

4.2.9 Priority of the offering

In the event the demand for our IPO Shares is less than 743,181,900 IPO Shares, the Public Issue shall take precedence over the Offer for Sale. The demand for our IPO Shares shall be firstly satisfied with the Issue Shares under our Public Issue, and following that, any excess demand will be satisfied with the Offer Shares under the Offer for Sale.

4.2.10 Minimum subscription level

There is no minimum subscription level in terms of proceeds to be raised under our IPO. However, in order to comply with the public shareholding spread requirement under the Listing Requirements, the minimum subscription level in terms of the number of IPO Shares will be the number of Shares required to be held by the public shareholders of our Company to comply with the minimum public shareholding spread requirement under the Listing Requirements or as approved by Bursa Securities.

Under the Listing Requirements, we are required to have a minimum of 25.0% of our Shares held by at least 1,000 public shareholders, each holding not less than 100 Shares at the point of our Listing.

If the above requirement is not met, we may not be able to proceed with our Listing. See Section 5.4.4 of this Prospectus for details in the event there is a delay in or termination of our Listing.

4.3 SELLING SHAREHOLDERS

The Offer Shares to be offered by the Selling Shareholders and their respective direct shareholdings in our Company before and after our IPO and their material relationship with our Group within the past three years are as follows:

Name	Material relationship with our Group	Shareholding after the Pre-IPO Exercise		Shares offered pursuant to the Offer for Sale		Shareholding after our IPO assuming the Over-allotment Option is not exercised		Over-allotment Option		Shareholding after our IPO assuming the Over-allotment Option is fully exercised	
		No. of Shares	[1]%	No. of Shares	[2]%	No. of Shares	[2]%	No. of Shares	[2]%	No. of Shares	[2]%
Rainforest Capital	Promoter and Substantial Shareholder	763,000,115	46.7	180,840,900	9.7	582,159,215	31.3	11,147,700	0.6	571,011,515	30.7
Farmchoice Foods	Promoter and Substantial Shareholder	381,500,020	23.3	90,420,400	4.9	[3]267,445,720	14.4	11,147,700	0.6	[3]256,298,020	13.8
Agrifood Resources	Substantial Shareholder	490,500,000	30.0	248,965,900	13.4	241,534,100	13.0	22,295,500	1.2	219,238,600	11.8
Total		**1,635,000,135**	**99.99**	**520,227,200**	**28.0**	**1,091,139,035**	**58.7**	**44,590,900**	**2.4**	**1,046,548,135**	**56.3**

Notes:

(1) Based on our issued share capital of 1,635,000,137 Shares after the Pre-IPO Exercise.

(2) Based on our enlarged issued share capital of 1,857,954,837 Shares upon Listing.

(3) Excluding 23,633,900 Shares, representing 1.272% equity interest in our Company, to be declared as a dividend-in-specie by Farmchoice Foods to Cahaya Bintang as described in Section 9.1.3 of this Prospectus.

4.4 BASIS OF ARRIVING AT THE PRICE OF OUR IPO SHARES AND REFUND MECHANISM

4.4.1 Retail Price

The Retail Price was determined and agreed upon between our Directors and the Selling Shareholders in consultation with the Joint Global Coordinators, after taking into consideration the following factors:

(i) our Group's growth demonstrated by the growth in our revenue and PAT attributable to the owners of our Company at (a) a CAGR of 65.9% and 14.9%, respectively from FYE 31 March 2019 to FYE 31 March 2021; and (b) a CAGR of 9.7% and 439.4%, respectively from FPE 30 September 2020 to FPE 30 September 2021. Our EBITDA has also increased at a CAGR of 55.6% and 8.8% over the same period from FYE 31 March 2019 to FYE 31 March 2021 and from FPE 30 September 2020 to FPE 30 September 2021, respectively and during this period of growth, our EBITDA margins were 22.9%, 18.7%, 20.1% and 21.2% in the FYE 31 March 2019, 31 March 2020, 31 March 2021 and FPE 30 September 2021, respectively;

(ii) PER of about 71.1 times based on our Group's EPS of about 1.9 sen after taking into account our PAT attributable to the owners of our Company of about RM36.2 million for the FYE 31 March 2021 and our 1,857,954,837 Shares upon Listing.

For the FYE 31 March 2021, our Group recognised an additional tax expense and penalty of RM25,708,582 relating to the previous YA 2014 to YA 2020. Further, an amount of RM10,490,033 of tax expense was also provided for in respect of YA 2021 in the audited financial statements for the FYE 31 March 2021, which was subsequently reversed in the FPE 30 September 2021 as our Group received a new tax incentive. See Sections 12.1.1 and 12.2.2(xi) of this Prospectus for further details on the additional tax assessment and the new tax incentive.

For illustration purposes, assuming the additional tax expense of RM25,708,582 is reallocated to the previous YAs and the reversal of the RM10,490,033 of tax expense previously recorded for the FYE 31 March 2021, our Group's adjusted EPS is about 3.9 sen, based on our adjusted consolidated PAT attributable to the owners of our Company for the FYE 31 March 2021 of RM72.4 million and our 1,857,954,837 Shares upon Listing. Accordingly, this translates into an adjusted PER of about 34.6 times for the FYE 31 March 2021;

(iii) our pro forma NA per Share of about RM0.31 as at 30 September 2021 based on our enlarged issued share capital of 1,857,954,837 Shares upon Listing, representing a price-to-book ratio of about 4.4 times based on the Retail Price;

(iv) our financial performance and operating history as described in Sections 12 and 13 of this Prospectus;

(v) our competitive strengths as follows:

(a) we are one of the largest and fastest growing players in the attractive Malaysian dairy industry;

(b) we have an attractive and diversified portfolio of proprietary brands built on a fresh milk proposition and supported by culture of innovation;

(c) we operate on a vertically integrated "grass to glass" model providing operational and financial benefits;

(d) we have a strong competitive advantage through gene bank ownership and notable farm management and animal husbandry practices;

(e) we have extensive market penetration through our multi-channel distribution network; and

(f) we have a strong and experienced management team with significant emphasis on environmental, social and governance initiatives;

(vi) our future plans and strategies as follows:

(a) to expand our capabilities across the value chain in Malaysia;

(b) to continue to develop and grow our product portfolio; and

(c) to expand regionally outside of Malaysia.

(vii) the overview and the future outlook of the dairy industry in Malaysia and Australia, as described in Section 8 of this Prospectus; and

(viii) the prevailing market conditions, including market performance of key global indices and companies involved in similar businesses listed on the stock exchange, current market trends as well as investors' sentiments.

The Final Retail Price will be determined after the Institutional Price is fixed on the Price Determination Date, and will be the lower of:

(i) the Retail Price; or

(ii) the Institutional Price.

In the event that the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and the Final Retail Price will be refunded to the successful applicants without any interest thereon. See Section 4.4.3 of this Prospectus for details of the refund mechanism.

The Final Retail Price and the Institutional Price will be announced within two Market Days from the Price Determination Date via Bursa Listing Information Network. In addition, all successful applicants will be given written notice of the Final Retail Price and the Institutional Price, together with the notices of allotment for our IPO Shares.

4.4.2 Institutional Price

The Institutional Price will be determined by a bookbuilding process wherein prospective institutional and selected investors will be invited to bid for portions of the Institutional Offering by specifying the number of our IPO Shares they would be prepared to acquire and the price they would be prepared to pay for our IPO Shares in respect of the Institutional Offering. This bookbuilding process commenced on 28 February 2022 and will end on 10 March 2022. Upon completion of the bookbuilding process, the Institutional Price will be fixed by our Directors and the Selling Shareholders in consultation with the Joint Global Coordinators on the Price Determination Date.

4.4.3 Refund mechanism

If the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and the Final Retail Price will be refunded to the successful applicants without any interest thereon. The refund will be made:

(i) in the form of cheques to be despatched by ordinary post to the address maintained with Bursa Depository for applications made via the Application Form; or

(ii) by crediting into the accounts of the successful applicants with the Participating Financial Institution for applications made via the Electronic Share Application or by crediting into the accounts of the successful applicants with the Internet Participating Financial Institution for applications made via the Internet Share Application, within 10 Market Days from the date of final ballot of applications, at the successful applicants' own risk.

For further details on the refund mechanism, see Section 15.10 of this Prospectus.

4.4.4 Expected market capitalisation

Based on the Retail Price, the total market capitalisation of our Company upon our Listing would be about RM2.5 billion.

You should also note that the market price of our Shares upon our Listing is subject to the vagaries of market forces and other uncertainties. You are reminded to carefully consider the risk factors as set out in Section 5 of this Prospectus.

4.5 DILUTION

Dilution is the amount by which our pro forma consolidated NA per Share after our IPO is less than the price paid by retail, institutional and selected investors for our Shares. Our pro forma consolidated NA per Share as at 30 September 2021 after the Pre-IPO Exercise and before adjusting for our IPO was RM0.17, based on 1,635,000,137 Shares following the Pre-IPO Exercise.

After taking into account our enlarged issued share capital from the issuance of 222,954,700 Issue Shares and after adjusting for the use of proceeds from our Public Issue, our pro forma consolidated NA attributable to owners of our Company as at 30 September 2021 would be RM563.5 million. This represents an immediate increase in consolidated NA per Share of RM0.13 to our existing shareholders and an immediate dilution in NA per Share of RM1.05 representing about 77.8% of the Retail Price and the Institutional Price (assuming the Final Retail Price and the Institutional Price will equal the Retail Price) to the retail/institutional and selected investors.

The following table illustrates such dilution on a per Share basis assuming the Retail Price is equal to the Final Retail Price and the Institutional Price:

	RM
Final Retail Price/Institutional Price	1.35
Pro forma consolidated NA per Share as at 30 September 2021 after the Pre-IPO Exercise and before adjusting for our IPO	0.17
Pro forma consolidated NA per Share as at 30 September 2021, after the Pre-IPO Exercise and after adjusting for the use of proceeds from our Public Issue	0.30

	RM
Increase in consolidated NA per Share to our existing shareholders	0.13
Dilution in pro forma consolidated NA per Share to retail/institutional and selected investors	1.05
Dilution in pro forma consolidated NA per Share to retail/institutional and selected investors as a percentage of the Retail Price/Institutional Price	77.8%

Save as disclosed below, none of our Promoters, Substantial Shareholders, Directors, key senior management, or persons connected to them had acquired, obtained the right to acquire and/or subscribe for our Shares in the past three years up to the LPD:

Date allotted/ transferred	Names	No. of Shares	Allotted/ Transferred	Total consideration (RM)
28 September 2018	Rainforest Capital	28,000,000	Allotted	28,000,000
28 September 2018	Farmchoice Foods	14,000,000	Allotted	14,000,000
28 September 2018	Agrifood Resources	18,000,000	Allotted	18,000,000
27 December 2021	Rainforest Capital	723,333,447	Allotted	Nil
27 December 2021	Farmchoice Foods	361,666,688	Allotted	Nil
27 December 2021	Agrifood Resources	465,000,003	Allotted	Nil

4.6 USE OF PROCEEDS

We expect to use the gross proceeds from our Public Issue amounting to RM301.0 million[(1)] in the following manner:

Details of use of proceeds	Estimated timeframe for the use of proceeds upon Listing	RM'000	% of total gross proceeds from the Public Issue
1. Capital expenditure of our Group			
(i) Establishment of a new manufacturing hub, a new dairy farm and integrated processing facility in Malaysia	Within 24 months	140,000	46.5
(ii) Expansion of our production facility in Australia	Within 18 months	60,000	19.9
(iii) Regional expansion outside of Malaysia	Within 24 months	40,000	13.3
2. Working capital	Within 12 months	40,789	13.6
3. Estimated listing expenses	Within 3 months	20,200	6.7
Total		**300,989**	**100.0**

Note:

(1) We have assumed that the Institutional Price and the Final Retail Price will be equal to the Retail Price.

The actual proceeds accruing to our Group will depend on the Institutional Price and the Final Retail Price. If the actual proceeds are higher than budgeted above, the excess will be used for working capital. Conversely, if the actual proceeds are lower than budgeted above, the proceeds allocated for working capital will be reduced accordingly.

To the extent that the gross proceeds from the Public Issue are not immediately required for the above purposes, we will place such funds in Shariah-compliant profit-bearing fixed deposit accounts with licensed financial institutions or in Shariah-compliant short-term money market instruments. We will provide a status update on the use of proceeds raised from the Public Issue through our quarterly reports announced to Bursa Securities and in our annual reports.

We will not receive any proceeds from the Offer Shares sold by the Selling Shareholders in our IPO. Assuming the Institutional Price will be the same as the Retail Price of RM1.35 per IPO Share, the gross proceeds of up to about RM702.3 million from the Offer for Sale will accrue entirely to the Selling Shareholders. The Selling Shareholders will bear their own placement fees in respect of our IPO, which is estimated to be about RM14.1 million. Save for the placement fees in respect of the Offer Shares offered by the Selling Shareholders in our IPO, the rest of the estimated listing expenses will be borne by us. The net proceeds attributable to the Selling Shareholders for the sale of the Offer Shares (after deducting the Selling Shareholders' share of the estimated listing expenses of about RM14.1 million) will be about RM688.3 million.

Further details on the use of proceeds from our Public Issue are as follows:

4.6.1 Capital expenditure of our Group

We are committed to strengthening our position as the largest integrated producer of dairy products made from fresh milk in Malaysia. Our Directors believe that our dairy business has significant potential for future growth, due to our focus on producing nutrient-rich and fresh milk-based dairy products, competitive advantage resulting from our vertical integration and distribution network, and our customer proposition which focuses on product quality and safety as well as the changing needs and preferences of consumers. We intend to capitalise on this growth potential by continuing to increase our processing capacity and expand our distribution reach in order to improve our financial performance over the long term. Our Directors also recognise the importance of capturing a wider range of customers across geographies and intend to focus on the continuous development of our brands portfolio, including identifying suitable opportunities to invest in or develop new products or complementary businesses for our future growth.

As such, our Directors have allocated RM240.0 million or about 79.7% of the total gross proceeds from the Public Issue to fund capital expenditure for investment projects in the next two years. Specifically, RM140.0 million or about 46.5% of the total gross proceeds from the Public Issue will be used to grow our businesses in Malaysia which includes the establishment of a new manufacturing hub and a new dairy farm and integrated dairy processing facility. Outside of Malaysia, RM100.0 million or about 33.2% of the total gross proceeds from the Public Issue has been earmarked for our expansion plans in Australia and the region.

(i) Establishment of a new manufacturing hub, a new dairy farm and integrated processing facility in Malaysia

We intend to use RM140.0 million or about 46.5% of the gross proceeds from the Public Issue to expand our business in Malaysia by focusing on increasing our existing production capacity for dairy and plant-based products as follows:

Details	Estimated timeframe for the use of proceeds upon Listing	RM'000	% of total gross proceeds from the Public Issue
Establishment of a new manufacturing hub			
• Land acquisition	Within 6 months	30,000	10.0
• Building construction	Within 18 months	20,000	6.6
• Machinery and equipment	Within 24 months	40,000	13.3
Establishment of a new dairy farm and integrated processing facility	Within 24 months	50,000	16.6
Total		**140,000**	**46.5**

(a) Establishment of a new manufacturing hub

From the RM140.0 million that we have allocated, RM90.0 million is to be used for the establishment of a new manufacturing hub in the Central Region of Peninsular Malaysia which will increase our Group's existing production capacity for dairy and plant-based products. The manufacturing hub will also serve as a base for the development of new product offerings in Malaysia, whereby we will replicate our existing product development efforts in Larkin, at a larger scale.

As at the LPD, we are in the midst of identifying suitable locations for the new manufacturing hub taking into account location, land cost and readiness of infrastructure. We have earmarked RM30.0 million for the land purchase with an intended area of about 10 acres and assuming we are able to agree to the terms by the first half of 2022, we aim to obtain the relevant approvals and commence construction by the second half of 2022. If an agreement for the land acquisition is reached prior to our Listing, the initial deposit will be funded from internally generated funds. Given the expected timeline for completion of the sale and purchase agreement for the land acquisition, in particular to obtain the consent of state authority for the transfer of land title, the remaining balance of the purchase price is expected to be due and payable after our Listing and will be funded from the IPO proceeds. In the event that the balance purchase price is due and payable before our Listing and funded by external financing, the financing will then be subsequently repaid using the IPO proceeds earmarked for the land purchase.

We intend to use RM20.0 million for the construction of the building including civil works, mechanical and electrical systems and installation of cold storage facilities for ice-cream products at the new manufacturing hub. Once ready, we will fit out the building with one UHT processing line, two units of filling and packaging lines for the packaging of our 200 ml UHT/ambient products and two ice-cream production lines, which are estimated to cost RM10.0 million, RM20.0 million and RM10.0 million, respectively. We aim to complete setting up the manufacturing hub around 24 months from our Listing, taking into account the time required for the receipt of relevant planning approvals, construction and building fit-out, as well as equipment and machinery installation. Once the setup is completed, the testing of production lines will be carried out for around one to two months and the commencement of manufacturing operations is expected to take place thereafter.

We have estimated the cost of setting-up the new manufacturing hub based on the historical cost of establishing our manufacturing facilities in Muadzam Shah, Larkin and Taiping, which primarily comprise land costs, construction costs and cost to purchase and install machinery and equipment.

As at the LPD, no amount has been incurred towards this project. The cost for the new manufacturing hub will be funded entirely using the proceeds of the Public Issue. If the allocated proceeds are insufficient for the establishment of the new manufacturing hub, any shortfall will be funded through internally-generated funds and/or external financing. Conversely, any excess funds not utilised for this purpose will be utilised to meet the working capital requirements of our Group.

(b) Establishment of a new dairy farm and integrated processing facility

We intend to use RM50.0 million or 16.6% of the gross proceeds from the Public Issue to scale up our integrated dairy business to capture market opportunities along the dairy value chain.

Of the RM50.0 million that we have allocated, RM20.0 million or about 6.6% of the gross proceeds from the Public Issue will be used to fund the establishment of a new dairy farm within 24 months from the date of our Listing. As at the LPD, we are exploring with a State Government-linked company to utilise their existing land which measures about 500 to 1,000 acres for purposes of the establishment of an integrated dairy project. We intend to commence development of the new dairy farm in the fourth quarter of 2022 and complete a basic shed and have the first heifer arrival by the first quarter of 2024. The new farm is expected to have a capacity of 3,000 dairy cows and will be replicated after our Taiping Farm, where there will also be a pasteurisation and filling facility for raw milk.

The total capital expenditure for the new farm is estimated based on our historical cost of setting-up a new farm of similar scale, which primarily comprises (i) construction costs for, amongst others, six cow barns, one rotary milking station, two treatment rooms, a feed storage facility, a pasteurisation and filling facility for raw milk, an office and ancillary buildings.

We plan to purchase and import heifers from Australia (which will be around two months pregnant) to the farm after the basic shed is completed following 12 to 15 months of development, such that the heifers would become milkable cows when the milking stations have been installed and the farm is ready for commercial milk production between 21 to 24 months after commencement of development.

Upon completion of our farm expansion plans, we expect to have six operating dairy farms in Malaysia with an aggregate capacity of about 14,834 dairy cows, representing an increase of about 25.4% from the aggregate capacity of 11,834 dairy cows at our five operating dairy farms in Malaysia, as at the LPD. With the resultant larger operating scale, we would be able to maximise our competitive advantages with respect to animal husbandry and farm management, improve our profit margins, and eventually strengthen our position in the dairy industry. Further, our expanded network of dairy farms will allow us to increase our penetration into target markets and raise market awareness of our products in Malaysia.

Our Directors believe that we can continue to unlock the full value of the raw milk produced by our enlarged upstream dairy farming business by incurring another RM30.0 million or about 10.0% of the gross proceeds from the Public Issue to set up an integrated milk processing facility with one pasteurisation line and two packaging and filling lines for the packaging of our chilled RTD milk products to complement the operations of the new farm. Having an integrated milk processing facility co-located with our new farm is expected to enhance the efficiency of operations in respect of our raw milk processing and finished goods production.

The capital expenditure required for the new processing facility is estimated based on the historical cost of setting-up our Taiping Facility which has a similar number of production lines being primarily construction costs, cold room and storage room including racking, chiller and boiler and costs to purchase and install machineries and equipment.

As the timeframe for the setting up of the new processing facility is intended to correspond with the farm being ready for commercial milk production, the use of proceeds for the establishment of the new facility is also expected to be within 24 months from the date of our Listing.

As at the LPD, no amount has been incurred towards this project. The cost for the new dairy farm and integrated processing facility will be funded entirely using the proceeds of the Public Issue. If the allocated proceeds are insufficient for the establishment of the new dairy farm and integrated processing facility, any shortfall will be funded through internally-generated funds and/or external financing. Conversely, any excess funds not utilised for this purpose will be utilised to meet the working capital requirements of our Group.

The completion of the new manufacturing hub is expected to increase our Group's total annual production capacity of finished UHT/ambient RTD products by 13.6 million litres with the additional two filling and packaging lines as well as an additional two ice cream filling lines with a total annual production capacity of 2.3 million kg. The completion of our new integrated processing facility is expected to increase our Group's total annual production capacity of finished chilled RTD products by 20.8 million litres with the additional two filling and packaging lines.

(ii) Expansion of our production facility in Australia

We intend to use RM60.0 million or about 19.9% of the gross proceeds from the Public Issue to fund the expansion of our Kyabram Facility in Australia ("**Phase 2 Expansion**") within 18 months from the date of our Listing. As at the LPD, our existing Kyabram Facility is solely used for the processing of raw milk for use in our Malaysian midstream operations. The Phase 2 Expansion will allow our Group to begin manufacturing UHT/ambient products at our Kyabram Facility to serve as an export hub to the Asia-Pacific region and support our operations in Malaysia and Singapore as well as our expansion into the adjacent markets in the Southeast Asia region.

As part of the Phase 2 Expansion, we estimate to incur RM10.0 million for building improvements such as utilities connection and electrical control systems, heating, air-conditioning installation, plumbing and drainage at our Kyabram Facility in anticipation of the installation of new machineries and equipment required for the production of UHT/ambient products. The fit out cost is estimated based on the historical cost to establish our existing Kyabram Facility.

The balance of RM50.0 million will be used to purchase machineries and equipment for the production of UHT/ambient products such as one UHT processing line as well as three filling and packaging lines, comprising one 1 litre and two 200 ml filling and packaging lines. The estimated costs are based on our ongoing discussions with the supplier.

We expect to begin (after receipt of all relevant approvals for the construction) the Phase 2 Expansion in the first half of 2022 and commence production of UHT/ambient products at our Kyabram Facility in the second quarter of 2023. The installation of the three additional packaging and filling lines as part of the Phase 2 Expansion will then allow us to produce 50.0 million litres of UHT/ambient products in Australia.

As at the LPD, no amount has been incurred towards this project. The total cost for the Phase 2 Expansion is estimated to be RM70.0 million, of which RM60.0 million will be funded using the proceeds of the Public Issue while the balance of RM10.0 million will be funded using internally generated funds. If the allocated proceeds from the Public Issue are insufficient for the Phase 2 Expansion, any shortfall will be funded through internally-generated funds and/or external financing. Conversely, any excess funds not utilised for this purpose will be utilised to meet the working capital requirements of our Group.

(iii) Regional expansion outside of Malaysia

We have set aside RM40.0 million or about 13.3% of the gross proceeds from the Public Issue for the expansion of our dairy business in the Southeast Asia region within 24 months from the date of our Listing.

Our Directors believe that certain target markets in the region could potentially grow at a higher rate than our domestic sales in line with the population and economic growth of those countries. As such, in addition to our current expansion plans in Malaysia and Australia, we are seeking and exploring other potential expansion projects to further increase our overall production capacity and scale of our business. To that end, we intend to replicate our approach to milk processing and distribution in order to establish a presence for our dairy and non-dairy products, initially in location(s) in Indonesia and the Philippines where we believe there is consumer demand for our products, as well as potentially other countries in the region in the future.

We intend to use RM20.0 million or about 6.6% of the gross proceeds from the Public Issue each in Indonesia and the Philippines, to establish new production and distribution capabilities. We intend to rent one factory building in both Indonesia and the Philippines, where we will then set up our production facilities and warehouses by fitting-out the buildings with a cold room, a storage room which would include racks, a chiller and a boiler, as well as install machineries and equipment such as one pasteurisation line and two filling and packaging lines, each.

While the production facility is in construction, we will export UHT/ambient products from Malaysia to these warehouses in Indonesia and the Philippines, after which the products will be distributed by local third party distributors. Following the commencement of our processing facilities in Indonesia and the Philippines, we will increase our presence in these countries by importing frozen milk from our Kyabram Facility to be used as raw materials to manufacture our products locally.

The completion of the new processing facilities in Indonesia and the Philippines is expected to increase our Group's total annual production capacity by about 20.8 million litres of finished products each.

As at the LPD, no amount has been incurred towards these projects. The total cost of our expansion into Indonesia and the Philippines each will amount the same which in aggregate is expected to be RM50.0 million, out of which RM40.0 million will be funded using the proceeds from the Public Issue while the balance of RM10.0 million will be funded using internally generated funds. The capital expenditure required for the processing facilities in Indonesia and the Philippines is estimated based on the historical cost of setting up a new facility with a similar number production lines. If the allocated proceeds are insufficient for the regional expansion, any shortfall will be funded through internally-generated funds and/or external financing. Conversely, any excess funds not utilised for this purpose will be utilised to meet the working capital requirements of our Group.

For more information about our regional expansion strategies, please refer to Section 7.3.3 of this Prospectus.

Our Group, in response to the competitive and dynamic nature of the industry in which we operate, may have to revise our funding requirements and use of proceeds for the above planned capital expenditure on account of various factors, such as our financial condition, business and strategy, including external factors which may not be within our control. This may entail rescheduling and revising our planned capital expenditure and funding requirement, and increasing or decreasing the quantum for a particular planned expenditure.

If at any point in time after our Listing, the actual use of proceeds towards any planned capital expenditure item at such point in time is lower than the amount estimated, the excess may (subject to the same first being available for use to fund other investment projects in Malaysia and Australia) be used for the working capital requirements of our Group.

However, if at any point in time after our Listing, there is an increase in the funding requirements for any planned capital expenditure item at such point in time, the deficit will be funded out of any available excess proceeds allocated to the working capital requirements of our Group. If surplus funds are unavailable, we may also explore other options, including using our internally generated funds and/or external financing.

4.6.2 Working capital

We intend to use RM40.8 million or 13.6% of the gross proceeds from the Public Issue to fund the working capital requirements of our Group, which is expected to increase primarily as a result of the expansion plans for our dairy farming and milk processing operations as well as the expected growth of our businesses in Malaysia and overseas markets.

From the RM40.8 million that we have allocated, a total of RM30.3 million will be used for the working capital requirements to finance raw material purchase, packaging materials and manpower that are required for our Malaysian and Australian operations, and RM10.5 million for our planned business activities in relation to the export of our UHT/ambient products from Malaysia into Indonesia and the Philippines within 12 months from the date of Listing, such as manpower, regional office overheads, inventory warehousing costs, selling and marketing expenses, as well as other statutory and regulatory fees or expenses such as import licensing fees, site permits, food regulation approval costs, legal fees and stamp duties, over the period of Listing up to 31 March 2022. We have budgeted the working capital requirements with reference to the historical cost of raw material purchases, packaging materials and manpower that we require for our operations in Malaysia and Australia which is also used to estimate working capital requirements for our expansion plans in Indonesia and the Philippines.

4.6.3 Estimated listing expenses

We estimate that about RM20.2 million or 6.7% of the gross proceeds from the Public Issue will be used for our listing expenses relating to the Public Issue, details of which are as follows:

Details	RM'000	% of total gross proceeds from the Public Issue
Professional fees	9,300	3.1
Fees to authorities	1,100	0.4
Brokerage, underwriting and placement fees	6,700	2.2
Other fees and expenses such as printing, advertising, travel and roadshow expenses incurred in connection with the Public Issue	1,450	0.5
Miscellaneous expenses and contingencies[1]	1,650	0.5
Total	**20,200**	**6.7**

Note:

(1) This includes other incidental charges or related expenses in connection with the Public Issue, such as fees to be paid to the translator, public or investor relation consultant and funds reserved for contingency purposes.

If the actual listing expenses are higher than estimated, the deficit will be funded out of internally generated funds. However, if the actual listing expenses are lower than estimated, the excess will be used for working capital purposes.

The proceeds of our IPO will be denominated in RM whilst the use of proceeds for our expansion plans in Australia, Indonesia and the Philippines are in AUD, IDR and PHP respectively. If the actual RM payment amount required as at the payment date is higher than the RM amount set out above due to movements in exchange rate, the deficit will be funded out of the amount allocated for working capital. However, if the actual RM amount required as at the payment date is lower than the RM amount set out above due to movements in exchange rate, the excess will be used for working capital.

4.7 BROKERAGE FEE, UNDERWRITING COMMISSION AND PLACEMENT FEE

4.7.1 Brokerage fee

We will pay brokerage in respect of our Issue Shares under the Retail Offering at the rate of up to 1.0% (exclusive of applicable tax) of the Final Retail Price in respect of all successful applications which bear the stamp of either the participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and/or the Issuing House.

The Joint Global Coordinators and the Joint Bookrunners are entitled to charge brokerage commission to successful applicants under the Institutional Offering. For the avoidance of doubt, such brokerage commission under the Institutional Offering will not be payable by us or the Selling Shareholders.

4.7.2 Underwriting commission

As stipulated in the Retail Underwriting Agreement, the Joint Managing Underwriters and the Joint Underwriters have agreed to underwrite our Issue Shares under the Retail Offering for an underwriting commission of up to 2.0% (exclusive of applicable tax) of the Retail Price multiplied by the total number of Issue Shares underwritten under the Retail Offering in accordance with the terms of the Retail Underwriting Agreement.

4.7.3 Placement fee

The Selling Shareholders for the Offer Shares and us for the Issue Shares will pay the Joint Global Coordinators and the Joint Bookrunners a placement fee and selling commission of up to 1.5% (exclusive of applicable tax) and may pay the Joint Global Coordinators and the Joint Bookrunners a discretionary fee of up to 0.5% (exclusive of applicable tax) of the Institutional Price multiplied by the number of IPO Shares sold to Malaysian and foreign institutional and selected investors in accordance with the terms of the Placement Agreement.

4.8 DETAILS OF THE UNDERWRITING, PLACEMENT AND LOCK-UP ARRANGEMENTS

4.8.1 Underwriting

We have entered into the Retail Underwriting Agreement with the Joint Managing Underwriters and the Joint Underwriters to severally and not jointly (nor jointly and severally) underwrite 55,738,700 Issue Shares under the Retail Offering, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus and upon the terms and subject to the conditions of the Retail Underwriting Agreement.

Details of the underwriting commission are set out in Section 4.7.2 of this Prospectus, while the salient terms of the Retail Underwriting Agreement are as follows:

Unless waived by the Joint Managing Underwriters, who have agreed to underwrite 27,869,500 Issue Shares under the Retail Offering, the underwriting obligations of the Joint Managing Underwriters and the Joint Underwriters are subject to certain conditions precedent which must be fulfilled or waived on or before the closing date of the Retail Offering as stated in this Prospectus or such later date as may be agreed in writing by the Joint Managing Underwriters.

The Joint Managing Underwriters (on behalf of the Joint Underwriters) may by notice to us, given at any time before the date of Listing, terminate, cancel and withdraw their respective underwriting commitment if:

(a) there is an occurrence of any event or discovery of any fact or circumstances resulting in a breach by us of any of the warranties or undertakings set out under the Retail Underwriting Agreement or rendering any of the warranties or undertakings untrue, inaccurate or misleading in any respect;

(b) without prejudice to sub-paragraph (a) above, there is failure on our part to perform any of our obligations contained in the Retail Underwriting Agreement which results in any event, development or occurrence, or series of events, developments or occurrences, which, in the sole opinion of the Joint Managing Underwriters, have or could be expected to have a material adverse effect or change, whether individually or in the aggregate, and whether or not arising in the ordinary course of business on (a) the condition (financial or otherwise), general affairs, contractual commitments, earnings, management, business, properties, assets, liquidity, liabilities, undertakings, stockholders' equity, results of operations or prospects of our Company or our Group taken as a whole, (b) our or any of the Selling Shareholders' ability to perform our or their obligations under or with respect to, or to consummate the transactions contemplated by this Prospectus, the Placement Agreement, the Share Lending Agreement or the Retail Underwriting Agreement, (c) our Group's ability to conduct our businesses and to own or lease our assets and properties as described in this Prospectus; or (d) our IPO including but not limited to the success of our IPO or the distribution or the sale of our IPO Shares pursuant to our IPO ("**Material Adverse Effect**");

(c) our Company withholds any material information from the Joint Managing Underwriters and the Joint Underwriters;

(d) there is any change or development or event which has a Material Adverse Effect;

(e) the closing date of the Retail Offering does not occur by 22 March 2022, subject to such extension which may be agreed between us and the Joint Managing Underwriters;

(f) any of the conditions precedent set out under the Retail Underwriting Agreement has not been fulfilled by the dates and times specified and has not been waived; or

(g) any of the following events occurs:

(i) any material adverse change in national or international monetary, financial and capital markets (including stock market conditions and interest rates), political or economic conditions or exchange control or currency exchange rates which would have or is likely to have a Material Adverse Effect or a material adverse effect (whether in the primary market or in respect of dealings in the secondary market) on the value or price of our IPO Shares or a material adverse effect on our Listing or our IPO. For the avoidance of doubt, if the FTSE Bursa Malaysia KLCI ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day:

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

(bb) prior to the closing date of the Retail Offering, lower than 85% of the level of the Index at the last close of normal trading on the Index on the Market Day immediately prior to the date of the Retail Underwriting Agreement and remains at or below that level for at least three consecutive Market Days or any other adverse change in the market conditions which the parties mutually agree to be sufficiently material and adverse to render it to be a terminating event, it shall be deemed a material adverse change in the stock market condition;

(ii) any force majeure event which is any local, national or international cause or events which are unpredictable and beyond the reasonable control of the party claiming force majeure which could not have been avoided or prevented by reasonable foresight, planning and implementation including but not limited to: war, acts of warfare sabotages, hostilities, invasion, incursion by armed force, act of a hostile army, nation or enemy, national emergency, civil war, hijacking or terrorism (in all cases, whether war has been declared or not), riot, uprising against constituted authority, civil commotion, disorder, rebellion, organised armed resistance to the government, insurrection, revolt, military takeover or usurped power, or natural catastrophe including but not limited to earthquakes, floods, fire, storm, lightning, tempest, explosions, accident, outbreak of disease, epidemics or pandemic (including, as regards the existing COVID-19 pandemic, any worsening of it), the imposition of lockdowns or similar measures to control the spread of any epidemic or other acts of God or the occurrence of any other calamity or crisis or emergency or any event or series of events in the nature of force majeure, or deterioration of any such condition, any material disruptions in securities settlements, payment or clearance procedures in Malaysia, the United States, the United Kingdom, any member state of the European Union, Singapore, Hong Kong or Australia or any general moratorium on banking activities in any of the aforementioned which has or is likely to have a Material Adverse Effect or which has or is likely to have the effect of making any material obligation of the Retail Underwriting Agreement incapable of performance in accordance with its terms or which prevents the processing of applications and/or payments pursuant to our IPO or pursuant to the underwriting of the Issue Shares;

(iii) trading in all shares or securities on Bursa Securities has been suspended or other material form of restriction in general trading in securities is imposed for three consecutive Market Days or more;

(iv) any government requisition or occurrence of any other nature whatsoever which would have a Material Adverse Effect;

(v) there shall have been announced or carried into force any new law or regulation, directive, policy or ruling or change in law, regulation, directive, policy, ruling in any jurisdiction, interpretation or application by any court or any governmental, statutory or regulatory body having authority, jurisdiction or control over any party under the Retail Underwriting Agreement which has a Material Adverse Effect or prejudice the success of our IPO or our Listing or which would have or is likely to have the effect of making it impracticable to enforce contracts to allot and/or transfer our IPO Shares or making the Retail Underwriting Agreement incapable of being performed in accordance with its terms;

(vi) the Institutional Offering and/or the Retail Offering is stopped or delayed by us or any governmental, statutory or regulatory body having authority, jurisdiction or control over any party under the Retail Underwriting Agreement for any reason whatsoever (unless such delay has been approved by the Joint Managing Underwriters);

(h) our Listing does not take place by 5 April 2022 or such other extended date as may be agreed in writing by the Joint Managing Underwriters;

(i) in the event our Listing is withdrawn or not procured or procured but subject to conditions not acceptable to the Joint Managing Underwriters; or

(j) if the SC or any other relevant regulatory authority issues an order pursuant to Malaysian laws such as to make it impracticable to market our IPO or enforce contracts to allot and/or transfer our IPO Shares.

4.8.2 Placement

We and the Selling Shareholders expect to enter into the Placement Agreement with the Joint Global Coordinators and the Joint Bookrunners in relation to the placement of up to 687,443,200 IPO Shares under the Institutional Offering, subject to the clawback and reallocation provisions and the Over-allotment Option as set out in Sections 4.2.4 and 4.2.5 of this Prospectus, respectively. We and the Selling Shareholders will be requested to give various representations, warranties and undertakings, and to indemnify the Joint Global Coordinators and the Joint Bookrunners against certain liabilities in connection with our IPO.

4.8.3 Lock-up arrangement

(i) We have agreed that for a period beginning on and including the date of the lock-up letter and ending on, and including, the date that is six (6) months after the date of Listing, we will not and shall procure that our subsidiaries, affiliates and nominees or trustees holding Shares on trust for or on our behalf shall not, without the prior written consent of the Joint Global Coordinators (which consent shall not be unreasonably withheld), directly or indirectly, conditionally or unconditionally:

(a) (A) issue, allot, offer, pledge, sell, offer to sell, contract to sell, assign, issue or sell or grant or agree to grant any option, right, warrant or contract to purchase, purchase any option or contract to sell, hypothecate or create any encumbrance over, lend or otherwise transfer or dispose of any Shares (or any securities convertible into or exercisable or exchangeable for Shares or any securities substantially similar to our Shares) including any Shares held in treasury that are now owned or hereafter acquired by our Company or with respect to which our Company has or hereafter acquires the power of disposition, or (B) enter into any swap, hedge or derivative or any other arrangement or agreement or any transaction that transfers, in whole or in part, directly or indirectly any of the economic consequence of ownership of our Shares or any securities convertible into or exercisable or exchangeable for Shares or any securities that represent the right to receive or are substantially similar to our Shares, whether any such swap or transaction as described in (A) or (B) above is to be settled by the delivery of Shares or such other securities, in cash or otherwise, provided that the foregoing shall not apply to any Shares being offered and sold by our Company in connection with our IPO;

(b) deposit any Shares (or any securities convertible into or exchangeable for, or which carry rights to subscribe or purchase or that represent the right to receive or are substantially similar to, our Shares) in any depository receipt facilities;

(c) do or announce any intention to do any of the above or an offering or sale of any Shares (or any other securities exercisable or exchangeable for or convertible into or that represent the right to receive, or are substantially similar to, such Shares (or any interest therein or in respect thereof));

(d) save for such stabilising action permissible under law, take any action which is designed to or which constitutes or which would reasonably be expected to cause or result in stabilisation or manipulation of the price of our Shares; or

(e) enter into or affect any transaction with the same economic effect as any transactions described in paragraphs (a) to (d) above.

The restrictions in Section 4.8.3(i) above does not apply to (1) the grant of ESOS Options by our Company under the First Tranche of the ESOS, (2) the issuance, offer and sale of any Shares by our Company pursuant to our IPO, (3) the issuance and allotment of any Shares by our Company upon the exercise of the ESOS Options granted under the First Tranche of the ESOS, (iv) the offer, transfer and sale of any Shares by the Selling Shareholders pursuant to our IPO, including the transfer of any Shares pursuant to the Share Lending Agreement and the offer and sale of any Shares pursuant to the Over-allotment Option, or (v) the transfer of any Shares by Farmchoice Foods to Cahaya Bintang pursuant to the dividend-in-specie payment as referred to in Section 9.1.3 of this Prospectus.

(ii) The Selling Shareholders have agreed that for a period beginning on and including the date of the lock-up letter and ending on, and including, the date that is six (6) months after the date of Listing, they will not and shall procure that their respective shareholders, affiliates and nominees or trustees holding Shares on trust for or on their behalf shall not, without the prior written consent of the Joint Global Coordinators (which consent shall not be unreasonably withheld), directly or indirectly, conditionally or unconditionally:

(a) (A) offer, pledge, mortgage, charge, sell, offer to sell, contract to sell, assign, sell or grant or agree to grant any option, right, warrant or contract to purchase, purchase any option or contract to sell, hypothecate or create any encumbrance over, lend or otherwise transfer or dispose of any Shares (or any securities convertible into or exercisable or exchangeable for Shares or any securities substantially similar to our Shares), whether now owned or acquired by such Selling Shareholder between the date of the lock-up letter and the date of Listing or with respect to which such Selling Shareholder has or between the date of the lock-up letter and the date of Listing acquires the power of disposition ("**Lock-Up Shares**"), or (B) enter into any swap, hedge or derivative or any other arrangement or agreement or any transaction that transfers, in whole or in part, directly or indirectly any of the economic consequence of ownership of the Lock-Up Shares or any securities convertible into or exercisable or exchangeable for any Lock-Up Shares or any securities that represent the right to receive or are substantially similar to the Lock-Up Shares, whether any such swap or transaction described in (A) or (B) above is to be settled by the delivery of the Lock-Up Shares or such other securities, in cash or otherwise, provided that the foregoing shall not apply to any Shares being offered and sold by such Selling Shareholder in connection with our IPO;

(b) deposit any Lock-Up Shares (or any securities convertible into or exchangeable for, or which carry rights to subscribe or purchase or that represent the right to receive or are substantially similar to, any Lock-Up Shares) in any depository receipt facilities;

(c) do or announce any intention to do any of the above or an offering or sale of any Lock-Up Shares (or any other securities exercisable or exchangeable for or convertible into or that represent the right to receive, or are substantially similar to, any Lock-Up Shares (or any interest therein or in respect thereof));

(d) save for such stabilising action permissible under law, take any action which is designed to or which constitutes or which would reasonably be expected to cause or result in stabilisation or manipulation of the price of our Shares; or

(e) enter into or effect any transaction with the same economic effect as any transactions described in paragraphs (a) to (d) above.

The restrictions in Section 4.8.3(ii) above does not apply to (1) the grant of ESOS Options by our Company under the First Tranche of the ESOS, (2) the issuance, offer and sale of any Shares by our Company pursuant to our IPO, (3) the issuance and allotment of any Shares by our Company upon exercise of the ESOS Options granted under the First Tranche of the ESOS, (4) the offer, transfer and sale of any Shares by the Selling Shareholders pursuant to the Offer for Sale, the sale and transfer of Shares pursuant to any individual cornerstone placement agreement and the Master Cornerstone Placement Agreement and our IPO, and including the transfer of any Shares pursuant to the Share Lending Agreement and the offer and sale of any Shares pursuant to the Over-allotment Option, or (5) the transfer of any Shares by Farmchoice Foods to Cahaya Bintang pursuant to the dividend-in-specie payment as referred to in Section 9.1.3 of this Prospectus.

4.9 TRADING AND SETTLEMENT IN SECONDARY MARKET

Upon our Listing, our Shares will be traded through Bursa Securities and settled by book-entry settlement through the CDS, which is operated by Bursa Depository. This will be effected in accordance with the Rules of Bursa Depository and the provisions of the SICDA. Accordingly, we will not deliver share certificates to subscribers or purchasers of our IPO Shares.

Beneficial owners of our Shares are required under the Rules of Bursa Depository to maintain our Shares in CDS accounts, either directly in their names or through authorised nominees. Persons whose names appear in the Record of Depositors maintained by Bursa Depository will be treated as our shareholders in respect of the number of Shares credited to their respective securities accounts.

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. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis, although there is a nominal transfer fee of RM10 payable for each transfer not transacted on the market.

Shares held in CDS accounts may not be withdrawn from the CDS except in the following instances:

(i) to facilitate a share buy-back;

(ii) to facilitate conversion of debt securities;

(iii) to facilitate company restructuring process;

(iv) where a body corporate is removed from the Official List;

(v) to facilitate a rectification of any error; and

(vi) in any other circumstances determined by Bursa Depository from time to time, after consultation with the SC.

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 are required to trade under the odd lot board. Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the third Market Day following the transaction date, and payment for the securities is generally settled on the third Market Day following the transaction date.

It is expected that our Shares will commence trading on Bursa Securities about 10 Market Days after the close of the Institutional Offering. Subscribers of our Shares will not be able to sell or otherwise deal in our Shares (except by way of book-entry transfer to other CDS accounts in circumstances which do not involve a change in beneficial ownership) prior to the commencement of trading on Bursa Securities.

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An investment in our Shares involves a number of risks. Prospective investors should rely on their own evaluation and carefully consider all the information contained in this Prospectus, including the risks described below before deciding to invest in our Shares. If any of the risks described below actually occurs, our business, performance, financial condition, results of operations and prospects could be negatively affected, the trading price of our Shares, if any, could decline and investors may lose all or part of their investment.

5. 5.1 RISKS RELATING TO OUR BUSINESS

5.1.1 Our brand and reputation are pivotal to our business operations and continued success, and any negative publicity and/or negative perception of our brand or the value of our products may have an adverse impact on our business

Our business is highly sensitive to consumers' perception of the safety and quality of our dairy products. The brand name and trademarks under which our products are marketed and sold are crucial to our business. Any actual or perceived contamination, spoilage or other adulteration, product misbranding or tampering, or any publicity or news making accusations of the occurrence of any of these incidents may lead to the loss of consumers' confidence in our products and/or the erosion of our brand name, regardless of its merits. Adverse publicity and news about the safety and quality of domestically produced dairy products, and counterfeiting and imitation of well-known dairy products are common in the industry. Notwithstanding that (i) we actively monitor the market for any counterfeiting or imitation of our products and trademarks with the help of our distribution channel partners such as our modern trade accounts, home dealers and distributors, (ii) we believe that our specific packaging designs, packaging components and distinct products made from fresh milk makes the counterfeiting and imitation of our products more difficult, and (iii) we have not experienced counterfeiting or imitation of our products or trademarks in the past, we cannot assure you that this will not occur in the future. Our failure to detect counterfeiting and imitation of our products and trademarks and to mitigate the adverse impact from such activities could result in a decrease in our sales volume or market share as well as an increase in our administrative costs in respect of detection and protective measures.

Furthermore, notwithstanding that we have registered trademarks in Malaysia, Australia, Singapore and Indonesia and intend to continue to register trademarks in these countries, Brunei as well as new markets which we intend to expand to such as Hong Kong, Indonesia and the Philippines, we cannot assure you that the use of our brand name and trademarks will not infringe upon the intellectual property rights of any third party or otherwise violate any applicable laws. Any liability claims in relation to our use of such brand name or trademarks made or threatened to be made against us in the future, regardless of its merits, could result in costly litigation and strain on our administrative and financial resources as well as diversion of our management's attention. If we fail to effectively protect our brand name and trademarks, our reputation could be damaged, which in turn could have a material adverse effect on our business, financial condition, results of operations and prospects.

Several of our trademark applications are currently pending approvals by the relevant regulatory authorities. See Section 7.21 of this Prospectus for details of our registration and applications for trademarks. There is no assurance that our applications for trademark registrations which are currently pending approval for registration will be successful. The failure to register our trademarks in a timely manner may mean that third parties may exploit these intellectual property rights in countries in which our trademarks have not been registered or otherwise protected.

Any adverse publicity making accusations or casting doubts on the quality of our products, the authenticity of the organic nature of our products or the Malaysian dairy industry in general, or any negative consumer perception thereof could damage consumers' confidence in our products and accordingly result in a drop in the demand for our products.

Our results of operations and financial condition could be materially and adversely affected by product contamination, spoilage or our association with any contamination or spoilage incidents. Contamination or spoilage may occur in a number of circumstances, including during the production process or as a result of improper handling or cold chain failure during transportation by third parties. During the FYE 31 March 2019, FYE 31 March 2020, FYE 31 March 2021 and FPE 30 September 2021, our products were not found to have contaminants or reported to be associated with any contamination incidents, and we were not subject to any product liability claims. Although we have encountered isolated and infrequent cases of spoilage incidents in the past as a result of transportation handling by third parties, such incidents did not have a material adverse impact on our business, results of operations or financial condition. Furthermore, the mere publication of information alleging that our products contain or have contained any contaminants, or adverse publicity about the quality of our products, could damage our reputation and have a material adverse effect on us, regardless of whether such publication or publicity has any factual basis.

5.1.2 **Failure to maintain the quality of our milk and milk yield may have an adverse effect on our business**

Our business and future expansion of our business depend on the quality of our milk and milk yield. The quality of our milk and our average annual milk yield are affected by a number of factors that are beyond our control, including the following:

- supply and pricing of feed. For example, prolonged drought-like conditions in Australia from 2018 to mid-2020 led to significantly higher feed costs in the market. Changes in the supply and pricing of feed may require us to make temporary changes to our total mixed ration diet that our dairy cows are fed with. This may consequently affect the volume and quality of milk produced by dairy cows, which is linked closely to the nutritional quality of the feed consumed. See Section 12.2.2(ii) of this Prospectus for more details on the factors affecting the price and availability of our raw materials such as feed;

- breeding factors, with the genetic quality and age of a dairy cow having a direct impact on the yield and quality of milk produced by such dairy cow and since we inseminate our cows by using frozen semen to increase our herd size and to improve our herd of dairy cows genetically, the supply and quality of frozen semen being linked closely to the size of our herd, the genetic quality of our herd, and in turn, the quality and yield of milk produced by our dairy cows;

- power trips at our facilities which may cause our equipment such as our cooler tanks to stop operating for an extended period of time, leading to our products such as raw milk or dairy products being damaged. Notwithstanding that we have not in the past experienced such power trips which has materially affected the quality of our products, there is no assurance that we will not in the future experience such power trips at our facilities;

- improper handling by third parties or incidents during the transportation process of our raw milk and dairy products which are beyond our control, leading to the quality of our milk being adversely affected. Notwithstanding that we have not in the past experienced such improper handling by third parties or incidents during the transportation process which has materially affected the quality of our products, there is no assurance that we will not in the future experience such incidents;

- potential outbreaks of diseases among our dairy cows. Notwithstanding that we have not in the past had an outbreak of illness or disease in our dairy farms which has materially and adversely affected our business and financial condition, there is no assurance that such outbreaks will not happen in the future; and

- climatic factors such as temperature changes due to weather and change in seasons.

The occurrence of any of the above factors and any adverse developments in relation to any such factors could influence milk production, milk yield and/or the quality of our raw milk and products, and our sales, reputation and prospects could suffer as a result.

5.1.3 Failure to manage our distribution network could adversely affect our relationship with distributors, our reputation, the sale of our products and our profitability

We sell our products to retail customers through our multi-channel distribution model. Under our distribution model, we also sell our products to stockists, home dealers and other third-party distributors who may on-sell our products to other sub-distributors, outlets and points-of-sale. As at the LPD, we have 45 stockists, spanning all the states in Malaysia, managing 906 home dealers who in turn manage 1,772 agents of theirs selling our products. In addition, as at the LPD, we also sell our products to 22 distributor agents who then on-sell our products to the various HORECA outlets. See Section 7.7 of this Prospectus for more details. Many of our competitors are expanding their distribution networks. We may not be able to compete successfully against our competitors with our existing distributors or additional distributors in the future. In addition, we may not be able to successfully manage our relationship with our stockists, home dealers and distributors.

Although we are not aware of any material loss of stockists, home dealers and distributors during FYE 31 March 2019, FYE 31 March 2020, FYE 31 March 2021 and FPE 30 September 2021, we cannot assure you that we will not lose any of our stockists, home dealers and distributors in the future, which may result in the loss of existing favourable arrangements with such parties and may even result in the termination of our relationships with other distributors. While we do not believe that we are substantially dependent upon any individual distributor, finding replacements for a significant proportion of our stockists, home dealers and distributors could be time-consuming and any resulting delay may be disruptive and costly to our business.

As independent companies and operators, the stockists, home dealers and distributors whom we sell our products to make their own business decisions, which may not be aligned with our interests. We do not always have full insight into their financial affairs and business practices, and are not responsible for their compliance with relevant laws and regulations. While we invest time and financial resources in training and educating our stockists and home dealers, in particular with regard to the marketing of our brands and issues such as product handling and merchandising, book-keeping and accounts management, there can be no assurance that such efforts and investments will be successful.

Furthermore, the ability of our distributors to sell our products in sufficient volumes, uphold our brand and expand their businesses and sales network are crucial to the growth of our business and would directly affect our sales volume and profitability. If any of our distributors fail to distribute our products in a timely manner with adequate quality controls or according to the terms of an individual distribution agreement, or at all, or if our distribution agreements are suspended, terminated or otherwise expired without renewal, the sales volume of our products or our profitability could be materially and adversely affected.

In addition, our reputation and brand may be adversely affected by the actions of our stockists, home dealers and distributors. If the activities of our stockists, home dealers or distributors result in negative publicity which adversely affects our brand, our reputation and consequently, our business, financial condition, results of operations and prospects could be materially and adversely affected.

5.1.4 Actual or perceived contamination in or spoilage of, advertising mislabelling or product mislabelling or recalls of, our products could harm our business and subject us to liability claims and regulatory action

Our results of operations and financial condition could be materially and adversely affected by product contamination, product spoilage, product recalls, advertising mislabelling or product mislabelling or our association with any contamination or spoilage incidents. Notwithstanding the measures we have in place to enhance the internal control system of our Group, product mislabelling may still occur from human error (such as from miscommunication among the teams involved in research and development, production, marketing and sales) or inadvertent misinterpretation of the relevant legislations or regulations. Through a routine inspection by MOH in 2021, the labels for certain UHT products in respect of the use of certain words on the packaging which we initially deemed to be in compliance were subsequently deemed by MOH to be not in compliance with the Food Regulations. Following our discussions with MOH on the timeframe to replace the affected product labels, MOH has in its letter dated 30 August 2021, granted a grace period of up to 28 February 2022 for us to use our existing product labels. We are in the process of revising the labels for the relevant products to comply with the Food Regulations and barring any unforeseen circumstances, we endeavour to replace the affected product labels by 28 February 2022. See Section 7.17.7 of this Prospectus for more details. Save for the abovementioned non-compliances, during FYE 31 March 2019, FYE 31 March 2020, FYE 31 March 2021 and FPE 30 September 2021, none of our products were found to have contaminants or reported to be associated with any contamination, advertising mislabelling or product mislabelling incidents, and we were not subject to any product liability claims. We have also not encountered any spoilage incidents, which had a material adverse impact on our business, results of operations or financial condition. However, we cannot give assurance that contamination, spoilage or product mislabelling will not occur during the production or transportation of our products.

As part of the milk production process, we are subject to standard quality and safety inspections by the authorities. If our raw milk or any other product we produce is found to be contaminated, spoilt or mislabelled during the inspection process, we could be subject to negative consequences such as sales returns or rejection of our products, which could reduce our sales and damage our relationships with our customers. Our products may also be contaminated or spoilt due to factors including technical malfunctions of milk production equipment used. Contamination and spoilage may also occur due to improper handling or misconduct occurring during the production or processing process which results in product contamination or spoilage. Our safety and quality inspection systems may not always be able to detect any such contamination, spoilage or quality-related issues.

Contamination, spoilage and quality-related issues may also result from residues introduced during the storage, handling and transportation phases. In addition, the contamination, spoilage or mislabelling of our products or mislabelling in our product advertising may result in product recalls, potential product liability claims, serious damage to our reputation and brand name and consumer confidence in our products as well as loss of revenue. For example, in 2015, we discovered that the tastes of certain of our products were compromised due to our use of the same product line for the production of two different products. Although we were not subject to any legal claims, regulatory investigations, penalties or sanctions in connection with this incident, we issued an aggregate of RM19,673 worth of refunds to our customers that had lodged complaints with us.

In addition to product liability claims, if our products are found to be contaminated, spoilt or mislabelled, or if our product advertising is found to be mislabelled, we may be subject to regulatory action. If we are found to be in violation of the applicable food safety or food labelling laws in the jurisdictions which we operate, we could be subject to penalties, including monetary fines, and/or the revocation of licenses needed to conduct our business, which could materially and adversely affect our business, financial condition, results of operations and prospects.

5.1.5 We may be affected by pandemics of infectious disease (such as COVID-19) or other health epidemics, natural disasters, terrorist attacks, armed conflicts and other events beyond our control

We may face disruptions to our production and processing facilities due to unforeseen external factors such as health epidemics, pandemics (such as the COVID-19 pandemic), natural disasters, acts of God, fire, flooding, civil commotion, sabotage, economic sanctions against the governments of countries where suppliers are located or where supplies are to be received, industrial action, shortage of water, insufficient electricity supply and other calamities or events beyond our control. This would result in longer lead-time for production and delayed delivery to our customers. Failure to meet our customers' expectations and make deliveries as required by our agreements with customers could damage our reputation and/or expose us to legal claims and may, as a result, lead to loss of business and affect our ability to attract new business. The unforeseen external factors such as fire and flooding could also damage a significant amount of our inventories. In such events, our business, financial condition, results of operations and prospects will be adversely affected.

Our dairy farms and production facilities may be subject to droughts, dust storms, as well as other natural disasters and severe weather conditions. Natural disasters and severe weather conditions may result in disruptions to our operations, which may lead to loss of revenues. Our Mawai Farm had two incidences of flooding in 2019 and 2020, where road access to the farm was consequently hindered for around three days. As the road access was only hindered for no more than three days, these incidents did not have a material adverse impact on our business, financial condition or results of operations. Further, a portion of the pasture area of our Desaru Farm could get heightened water levels for a few days. However, this has not had material impact on the operations of our Desaru Farm as it only affects the pasture area of the farm. Save for our Mawai Farm and our Desaru Farm, none of our farms is located in a flood prone area or frequently affected by flooding during the monsoon season. Similarly, war, terrorist activity or threats thereof, social unrest as well as geopolitical uncertainty and international conflict and tension could affect international or regional economic development, which could in turn materially and adversely affect our business, financial condition, results of operations and prospects. In addition, we may not be adequately prepared in terms of contingency planning or may not have recovery capabilities in place to deal with a major incident or crisis. As a result, our operational continuity may be adversely and materially affected.

On 11 March 2020, the World Health Organization declared the COVID-19 outbreak as a pandemic. The emergence of the COVID-19 pandemic has become one of the biggest disruptors in the global economy, creating uncertainty and placing global economic and social resilience to the test. The COVID-19 pandemic has resulted in, among other things, ongoing travel and transportation restrictions, prolonged closures of workplaces, businesses and schools, lockdowns in certain countries and increased volatility in international capital markets. Given the uncertainties as to the development of the COVID-19 pandemic, it is difficult to predict how long such conditions will exist and the extent to which we may be affected by such conditions.

The current COVID-19 pandemic or a future outbreak of infectious disease in any country where our operations, customers or suppliers are based, as well as quarantines or other regulatory measures or restrictions taken in response to an outbreak, have and could severely disrupt the supply of raw materials, business operations and distribution networks for our products and increase our operational costs. For example, our carriage inwards cost increased from RM1.2 million in FYE 31 March 2020 to RM6.5 million in FYE 31 March 2021 and by 226.3% from RM1.9 million in FPE 30 September 2020 to

RM6.2 million in FPE 30 September 2021, due to an increase in shipping rates caused by the COVID-19 pandemic. See Section 12.2.2(v) of this Prospectus for more details.

In addition, if the construction of our new production facilities cannot be completed on time due to delays caused by the COVID-19 pandemic, we may be unable to meet the demand of our customers. Ongoing travel and transportation restrictions, prolonged closures of workplaces, businesses and lockdowns in certain countries, have and may continue to affect our ability to adequately staff our operations.

The outbreak of COVID-19 has also imposed additional restrictions and obligations on our operations at our production facilities and staff living quarters as we were required to comply with social distancing measures and strict hygiene requirements to contain the COVID-19 outbreak since the First MCO Period with effect from 18 March 2020 to 3 May 2020. We were allowed to continue operating during that time as an "essential service" since we supply and produce milk and other dairy products which are consumed on a regular basis. The Malaysian Government imposed the Second MCO Period with effect from 13 January 2021 to 18 February 2021. Subsequently, the Malaysian Government announced the Third MCO Period with effect from 12 May 2021 to 7 June 2021. Following the increases in the number of new COVID-19 cases, the Malaysian Government implemented the Full MCO Period, a nationwide total lockdown where the first phase begun from 1 June 2021 to 14 June 2021. On 15 June 2021, the Malaysian Government introduced the National Recovery Plan, a four-phase national recovery plan where a different degree of travel restrictions and restriction in the operation of various economic sectors are implemented in each phase of the national recovery plan. For further details on the measures we have implemented to protect the health and safety of our employees, see Section 7.19 of this Prospectus.

The various MCOs implemented by the Malaysian government have impacted our sales through our various distribution channels. See Section 12.2.2(vii) of this Prospectus for the breakdown of our revenue by distribution channel in Malaysia for FYE 31 March 2019, FYE 31 March 2020, FYE 31 March 2021 and FPE 30 September 2021. Notwithstanding that we saw an increase in sales in our large format retailers, convenience stores, stockists and home dealers, the sales under our HORECA channel decreased as hotels, restaurants and cafes were shut during the various lockdowns. The resultant fall in footfall at shopping malls as a result of the various MCOs also impacted the sales of our products carried at supermarkets and convenience stores located in these shopping malls.

In addition, the sales of our stockists and home dealers network and their direct sales of milk products to schools in Malaysia have been and will continue to be affected for as long as schools in Malaysia are closed. See Sections 12.2.2(v) and 12.2.20 of this Prospectus for more details on the impact of the COVID-19 pandemic on our financial condition and results of operations. Although we have not been required to close or temporarily halt our operations at our production facilities as our business was deemed to provide an "essential service", we may be required to do so in the future in the event that any of our employees develop COVID-19, or if the National Recovery Plan or similar restrictions are extended or enhanced in the future.

There can be no assurance that we will not encounter a similar COVID-19 outbreak at our production facilities or staff living quarters. In the event of such an outbreak, we may be required to close the affected production facility, put the affected staff living quarters on strict lockdown, and would only be permitted to reopen them after obtaining approval from the relevant local authority, which may require us to implement certain measures such as disinfecting our premises, quarantining our employees who were exposed to the COVID-19 outbreak and ensuring that our employees are tested for and found not to have been infected by COVID-19. The quarantine period may take up to 10 days as currently prescribed by the relevant local authorities, or longer depending on the requirements imposed by the relevant local authorities at the time. In addition, we may need to hire additional staff to enable us to reopen and operate our production facility or incur additional costs to provide alternative accommodation facilities to segregate our employees in the event of any outbreak at our production facilities or staff living quarters.

Our operations would be disrupted by such closure and these disruptions could be material if they affect several of our production facilities or staff living quarters simultaneously. While some of our employees have tested positive for COVID-19 in the past, we were able to take the necessary precautions, including identifying close contacts in the production facility and testing measures, to ensure the safety of our staff and to facilitate our Company's continued operations. In light of this, we reduced non-essential staff and prescribed our employees to work from home to the extent possible. We also leased an additional accommodation facility to house our employees working in the production facilities. While our operations were not materially impacted by this incident, our ability to meet our customers' orders on time or at all will be significantly disrupted if a more serious outbreak occurs, and we may not be able to ensure that critical systems and operations will be restored in a timely manner or at all. Failure to meet our customers' expectations and make deliveries as required by our agreements with customers could damage our reputation and expose us to legal claims and may, as a result, lead to a loss of business and adversely affect our business, financial condition, results of operations and prospects.

As the COVID-19 pandemic is ongoing as of the LPD and evolving rapidly, there is no assurance that we will not in the future experience more severe disruptions in the event that more stringent quarantine measures are imposed or if the COVID-19 pandemic becomes more severe or protracted due to various reasons including the introduction of new variants. As such, we are uncertain as to the final impact of the COVID-19 pandemic on our business, financial condition, results of operations and prospects. While we have implemented business continuity plans to allow business operations to continue and have taken steps to mitigate the impact of the COVID-19 pandemic (see Section 7.19 of this Prospectus for details), there is no assurance that the COVID-19 pandemic will not worsen, which could in turn cause a deterioration of our business, financial condition, results of operations and prospects.

The actual extent of the outbreak and its impact on the domestic, regional and global economy remains uncertain, and the actual extent of the impact on our business, financial condition, results of operations and prospects will depend on, among other things, the duration and impact of the COVID-19 outbreak.

5.1.6 Disruption of operations at our dairy farms and production facilities could adversely affect our business

Our ability to effectively plan our operational processes and optimally utilise our production capacities for the various dairy products we manufacture is critical to our success. Damage or disruption to our dairy farms and production facilities can result from the following factors, among others:

- utility supply disruptions, particularly power and water supplies;
- terrorism, strikes or other force majeure events;
- forced closing or suspension of our dairy farms or production facilities;
- inclement weather conditions;
- pollution of underground water resources;
- failure to comply with applicable regulations and quality assurance guidelines;
- interruption of the information technology systems that facilitate the management of our dairy farms and production facilities;

- accidents in the production facilities, including major equipment failures or fires, which may result in suspension of operations, property damage, severe personal injuries or even fatalities; and

- other production or distribution problems, including limitations to production capacity due to regulatory requirements, changes in the types of products produced or physical limitations that could impact continuous supply.

See Section 7.5 of this Prospectus for details on the production capacities and utilisation rates of our processing facilities.

The occurrence of any of the events and factors mentioned above may result in a material disruption to the operations at our dairy farms and production facilities. For example, we are reliant on local utility suppliers and have experienced utility supply disruptions in our Malaysian dairy farms from time to time. In particular, our Muadzam Shah Facility and Larkin Facility have historically experienced disruptions to its electricity supply. We observed an increase in frequency of such power outages at our Muadzam Shah Facility in the last two years with the longest power outage lasting around 14 to 15 hours. There were also at least four occasions of power outages at our Larkin Facility from October 2019 to March 2021, where the duration of the power outage ranged from around 17 hours to 11 days, significantly beyond the average duration of three to four hours. A disruption in the supply of utilities may lead to unscheduled shutdowns of our processing facilities including our production units. As our products are sensitive to temperature change, an unscheduled shutdown or interruption to certain processes in our production such as the chilling process may affect our dairy products even if such interruption were brief. This may result in wastage of raw materials or products due to our products turning bad, loss of man hours, and increased costs incurred due to the disruption of operations.

Notwithstanding that (i) we have a generator set on our Muadzam Shah Facility which had provided back-up power supply during the power outages and we have not experienced an instance where a power outage lasted longer than the capacity of the back-up generators, and (ii) we have two back-up generators on our Larkin Facility which had provided the backup power supply during the power outages, there is no assurance that the back-up generators will always be sufficient to support our operations in the event of all power outages. We are currently constructing a high-tension electricity substation at our Muadzam Shah Facility with a view to minimising future electricity supply disruptions. We obtained Tenaga Nasional Berhad's ("**TNB**") approval for the construction of the substation on 6 August 2020. The substation was surrendered to TNB on 23 November 2020 and accepted by TNB on 23 December 2020, and we expect to complete the installation of the high-tension cable in the first half of 2022. However, there is no assurance that we will not face any issues with electricity supply going forward. Any prolonged or consistent utility supply disruptions may have a material and adverse effect on our business, financial condition, results of operations and prospects.

In addition, we have previously experienced, and continue to experience, disruptions to our water supply as a result of burst water pipes at our Muadzam Shah Facility. These water pipes supply water for our operations and processing facility at our Muadzam Shah Facility. A disruption in the water supply as a result of a burst water pipe would typically lead to unscheduled shutdowns of our processing facility at our Muadzam Shah Facility. As at 30 September 2021, we have invested around RM1.0 million to construct additional water storage capacity to sustain our operations in the event of future disruptions to our water supply at the Muadzam Shah Farm and may also consider investing in drilling additional tube wells to increase our water supply going forward. However, there is no assurance that such additional storage or sources of water supply will be sufficient to support or provide us with all the water supply we need for our operations, especially if our production volumes increase in the future.

In addition, there were two water outages at our Larkin Facility in 2019 and 2020. The water outage in 2019 was due to a change of the water meter by the utility provider, and the water outage in 2020 was due to a drop in the supply of water by the utility provider. For both water outages at our Larkin Facility, water supply was fully restored within 24 hours from when it occurred.

There is no assurance that we will not continue to experience any burst water pipes or issues with our water supply which may result in us incurring losses, costs, loss of man hours and other negative consequences due to disruptions to our water supply.

The power and water outages at our Muadzam Shah Facility and Larkin Facility as disclosed in this Section 5.1.6 did not have a material impact on our business, results of operations or financial condition.

Any failure on our part to take adequate steps to mitigate the likelihood or potential impact of other similar events or factors, or to effectively respond to such events or factors if they occur or materialise, could materially and adversely affect our business, financial condition, results of operations and prospects.

5.1.7 We may experience land disputes and may not be able to renew our leased lands. Our existing lands may also be subject to compulsory acquisition

Some of the land on which our farms in Malaysia or properties in Australia are located are leased or tenanted from the relevant government agencies or from private third parties and we would be required to renew such leases or tenancies prior to their expiration. See Annexure B of this Prospectus for more details on these properties.

While we have not encountered any difficulties in renewing our material leases or tenancies, there can be no assurance that we will be able to renew all our material leases or tenancies at commercially reasonable costs or at all, or that we will be able to obtain suitable leases or tenancies at alternative sites. Any such failure to secure renewal or an alternative lease or tenancy could materially and adversely affect our business, financial condition, results of operations and prospects. In addition, our land sites may also be compulsorily acquired by the respective governments of the countries where they are located for, among other reasons, public use or due to public interest. If we are unable to secure renewal of our leases or tenancies or if such land sites are compulsorily acquired, we intend to lease alternative sites and/or relocate to our existing farms.

The relocation cost to an alternative new site would depend on, amongst others, the size and location of the land as well as the availability of existing infrastructures on site to support our business. On the other hand, the estimated relocation cost to an existing farm ranges between RM300,000 to RM500,000 depending on the distance between the existing farm and the affected land. These costs include, among others, demobilisation, relocation and re-installation of moveable farm property such as farm equipment, milking system and tractors, relocation of cattle and relocation of feed, fertiliser, consumables, tools and office equipment. In such event, we may also be required to source and purchase additional raw milk from third party farmers in Malaysia and Australia to meet the shortfall in our production demands, if any, until such time the relocation process completes.

Notwithstanding the above, if we are unable to locate a suitable alternative site in a timely manner and/or should there be any unforeseeable increase in relocation cost in the future, this may force us to incur significant costs in re-locating our operations to the new site/existing farm and our business, financial condition, results of operations and prospects may be materially and adversely affected as a result.

All our farms which are situated on tenanted/leased lands, namely, our Mawai Farm, Desaru Farm, Taiping Farm and part of our Muadzam Shah Farm which comprises an additional 500 acres of land may be the subject matter of land disputes in the future. Such land disputes may arise over a variety of reasons including, amongst others, land ownership or, in the context of our properties in Malaysia, overlapping land usage where an area of land that has been allocated by the government authorities to a party for a specific purpose (such as farming) overlaps other areas that have also been allocated by other government authorities to other parties for other purposes or reserved by the government for a specific purpose only.

Such disputes with government authorities or third parties claiming rights to the affected land may affect our ability to use the land or result in significant diversion of management's time and resources which may lead to a disruption in our operations. Additionally, our failure to perform our obligations under the relevant tenancy or lease agreement(s) and vice versa, may lead to disruptions in our operations if such disputes give rise to a termination of the relevant tenancy/lease agreement(s). If such disruption to our operations is material, our business, financial condition, results of operations and prospects may be materially and adversely affected.

5.1.8 We require licences, permits, approvals and certificates from relevant government authorities and regulatory agencies and benefit from incentives and exemptions from government authorities for our business operations

(i) **We may be materially and adversely affected if our approvals, licences, permits, incentives and exemptions are revoked, suspended or not renewed**

We require and hold certain licences, permits and approvals issued by various government authorities and regulatory agencies and these approvals, licences and permits are essential for the conduct of our business. See Annexure A of this Prospectus for further details of our major licences, permits and approvals including the applicable authorities, expiration dates and status of compliance.

As at the LPD, save for the non-compliance incidents set out in Section 7.17 of this Prospectus, we have obtained all the major licences, permits and approvals which our Group is dependent on for our business operations in Malaysia and Australia. The table below sets out a summary of the non-compliance incidents relating to licences and certificates for our business operations:

Brief description of non-compliances	Estimated time for rectification	Estimated cost to rectify (RM)
We do not possess the following licences for our operation in our Mawai Farm: (a) business premise licence; and (b) water abstraction licence. In FYE 31 March 2021 and FPE 30 September 2021, the raw milk output from our Mawai Farm is about 2.4% and 2.4%, respectively of our Group's total production requirement. There is no material adverse impact to our Group's business operations if we are required to cease our dairy farming operations at our Mawai Farm, as we can relocate our operations to our Muadzam Shah Farm and Desaru Farm and we are able to source and purchase additional	The business premise licence and water abstraction licence are expected to be obtained after our Listing.	8,000

Brief description of non-compliances	Estimated time for rectification	Estimated cost to rectify (RM)
raw milk from third party farmers in Malaysia and Australia to meet the shortfall in production demands, if any.		
We do not possess the business premise licence for our operation in our Taiping Farm. In FYE 31 March 2021, our Taiping Farm did not contribute any raw milk output towards our Group's total production requirement. In FPE 30 September 2021, the raw milk output from our Taiping Farm is about 0.2% of our Group's total production requirement. There is no material adverse impact to our Group's business operations if we are required to cease our dairy farming operations at our Taiping Farm, as we can relocate our operations to our Muadzam Shah Farm. There is no significant impact to our financial condition in view that our Taiping Farm has yet to commence full operations.	The business premise licence is expected to be obtained after our Listing.	5,000

Notwithstanding that (i) we have submitted or are in the process of submitting the applications for such licences, permits and certificates, and (ii) we have not experienced any difficulties renewing or obtaining relevant certification for products, there can be no assurance that we will be able to obtain such licences, permits and certificates in a timely manner, or at all. As at the LPD, the potential penalties applicable is up to about RM0.3 million, which would not have a material adverse impact on our business and financial results. Certain potential penalties are also applicable to our Directors. See Section 7.17 of this Prospectus for further details.

We have also not been subject to any enforcement action in the past with respect to the foregoing. However, there can be no assurance that we will not be subject to enforcement actions by the relevant authorities, including cessation or relocation or monetary penalties. We undertake to update our shareholders on the status of our efforts to obtain the approvals for the abovementioned applications through our quarterly reports.

Generally, the licences, permits and approvals we require and hold are subject to a variety of conditions which are either stipulated within the licences, permits and approvals themselves, or under the particular legislation and/or regulations governing the issuing authorities. Certain of these licences, permits and approvals need to be renewed on a periodic basis or reassessed by the relevant regulatory authorities. If we are unable to fulfil any new or existing terms or conditions that may be imposed, we may not be able to renew or obtain the approvals, licences and permits required for our operations. Further, regulations of the issuing authorities may become more stringent from time to time and it may be costly for us to comply with the terms and conditions of these licences, permits and approvals.

Should there be any subsequent modifications of, or additions or new terms and conditions to the current compliance standards, we may incur additional costs to comply with the new or modified standards which may adversely affect our profitability. Any breach or material non-compliance with such regulations may result in the suspension, withdrawal or termination of the relevant licences, permits and approvals, financial penalties or cessation of our operations.

Further, while we have not faced any suspension, withdrawal or termination of relevant licences, permits or approvals material to our business nor have we encountered any issues in renewing or obtaining any of our major licenses, permits and approvals, there can be no assurance that we will be able to renew such licences, permits and approvals in the future or that we will not be subject to suspension, withdrawal or termination of our licences, permits and approvals, despite our best efforts to maintain high standards. Any such failure to secure renewal to obtain or loss of a required licence, permit or approval could adversely affect our business, financial condition, results of operations and prospects.

We have benefited from several tax incentives granted by the Malaysian authorities. For example, we were granted the Agricultural Tax Incentive by the MOA which allows us to claim a 100% tax exemption on statutory income arising from the rearing of our cattle and milk processing activities. We also enjoy a 100% income tax exemption under the East Coast Economic Region Incentive for income earned from dairy milk processing activities. See Section 12.2.2(xi) of this Prospectus for more details.

In 2020, we discovered that there were non-compliance issues with the following conditions of the tax incentives granted to FFMSB by the MOA:

- FFMSB is required to carry out cow farming and milk processing at PTD 2975, DHM 24448, Mukim Ulu Sungai Sedili Besar, Kota Tinggi, Johor (also known as the Mawai Farm). FFMSB breached this condition as FFMSB had never constructed a processing facility at the Mawai Farm;

- FFMSB is required to provide prior notification to the MOA if it intends to make any additional investment including expanding the area to carry out goat or cow farming and milk processing activities ("**Expansion Notification Requirement**"). FFMSB breached this condition as FFMSB made an additional investment in respect of milk processing activity at the Larkin Facility; and

- FFMSB is required to submit a project implementation progress report (laporan kemajuan perlaksanaan projek) ("**Progress Reports**") to the DVS every six months for monitoring purposes commencing from 4 August 2009. FFMSB breached this condition by failing to submit the Progress Reports.

FFMSB had, vide its letter dated 9 October 2020, submitted the outstanding Progress Reports to DVS for the period from July 2009 to March 2020, resolving this non-compliance issue.

As at the LPD:

- the MOF has informed us in its letter dated 26 July 2021 that the Agricultural Tax Incentive remains valid up till the expiry of the tax incentive period in YA 2023;

- based on a resolution with the IRB on 9 September 2021, we have recognised the Additional Tax Liability of RM25,708,582, in respect of our Larkin Facility, as a tax expense in the profit or loss for FYE 31 March 2021. Out of this Additional Tax Liability of RM25,708,582, (i) RM5,870,334 relates to YA 2020, (ii) RM5,139,424 relates to YA 2019, and (iii) RM14,698,824 relates to YA 2014 to YA 2018;

- we have written to the MOF to seek its approval for our Larkin Facility to be included in the scope of the Agricultural Tax Incentive, in line with the Expansion Notification Requirement ("**Approval for Expansion Notification Requirement**"). The MOF has on 9 September 2021 approved our application to include our Larkin Facility in the scope of the Agricultural Tax Incentive starting from YA 2022 onwards. Accordingly, we have provided for a tax payable amount of RM10,490,033 for YA 2021 and have recognised this amount during FYE 31 March 2021; and

- upon a subsequent application to the MOF, we have received approval on 24 December 2021 that the Larkin Facility is approved for a new Tax Incentive under Section 127 (3A) of the Income Tax Act, 1967 ("**Larkin Facility Tax Incentive**"). Under the incentive, we are allowed to claim income tax exemption on the statutory income arising from qualifying projects conducted in the Larkin Facility for 10 (5+5) years commencing from YA 2021. Accordingly, we have reversed the tax payable amount of RM10,490,033 for YA 2021 previously recorded in FYE 31 March 2021.

See Section 12.2.2(xi) of this Prospectus for more details on the impact of the Additional Tax Liability on our financial condition and results of operations.

If we breach any conditions for similar incentives or exemptions, or laws, rules or regulations in the future, we may be subject to fines or penalties arising from such non-compliance incidents, which may have a material adverse effect on our business, results of operations and financial condition. In addition, in the event that the tax incentives that we currently enjoy are revoked, modified or not renewed, either on the same terms or at all, after their respective expiry dates, this may increase our effective tax rate, and negatively impact our net profit margin and financial condition. See Section 12.2.2(xi) of this Prospectus for more details on the expiry dates of the tax incentives.

(ii) **We may be materially and adversely affected if the certifications for any of our products are revoked or not renewed or if we are unable to obtain the relevant certifications for new products**

We are required to obtain certification by government authorities and regulatory agencies before making any claims regarding our products and to sell our products both domestically and for export to other countries.

Certain of these certificates need to be renewed on a periodic basis or reassessed by the relevant regulatory authorities. We may not be able to obtain such renewal if we are unable to fulfil any new or existing regulations, terms and conditions or compliance standards that may be imposed. Further, regulations terms and conditions or compliance standards of the issuing authorities may become more stringent from time to time. We have to consistently monitor and ensure our compliance with such regulations. The certification process is also lengthy.

If we are unable to renew the existing certifications for our products, fail to comply with any such regulations resulting in the revocation of any of the certifications for any of our products or fail to or obtain the relevant certification for new products in time or at all, we may not be able to sell the product to a particular market with the same claims and our business, financial condition, results of operations and prospects may be adversely affected.

(iii) **We face uncertainty in our applications to obtain requisite approvals for the development, construction and occupation of buildings and our properties and use of our properties are also subject to various land use and certification requirements**

In Malaysia, prior to carrying out any development or construction work, we are required to obtain a Planning Permission and Building Plan Approval from the local authority. In addition, any person who occupies, or permits to be occupied, any building or any part thereof is required to obtain a CCC for such occupation. We have carried out development or construction works on some of our farms prior to obtaining the requisite Planning Permission and Building Plan Approval. Certain buildings occupied by us have not been issued with the requisite CCC as the issuance of CCC is preceded by the Planning Permission and Building Plan Approval to be granted by the local authority. The affected farms are our Mawai Farm, Taiping Farm, UPM Farm and Muadzam Shah Farm. Further, we have constructed a warehouse at our Muadzam Shah Facility without first obtaining the Building Plan Approval from the local authority. As at the LPD, the potential penalties applicable is up to around RM1.7 million, which would not have a material adverse impact on our business or financial results. See Section 7.17 of this Prospectus for further details.

In addition, in Malaysia, our properties and the use of our properties are subject to land use and certification requirements. Where the express condition imposed on the land title does not explicitly permit dairy farming, we will require the approval of the land authority for a change in express condition. As at the LPD, the usage of one of our owned farms (being Mawai Farm) is inconsistent with the express condition as set out in the land title. Apart from that, the accommodations provided to our employees at our Mawai Farm have not been certified with a certificate for accommodation. As at the LPD, the potential penalties applicable is up to around RM0.1 million, which would not have a material adverse impact on our business or financial results. See Section 7.17 of this Prospectus for further details.

The following sets out the raw milk output from our farms which are affected by the aforesaid non-compliance incidents:

(a) Mawai Farm: 2.4% and 2.4% of our Group's production requirement for FYE 31 March 2021 and FPE 30 September 2021, respectively;

(b) Muadzam Shah Farm: 7.2% and 9.2% of our Group's production requirement for FYE 31 March 2021 and FPE 30 September 2021, respectively;

(c) UPM Farm: 1.4% and 1.6% of our Group's production requirement for FYE 31 March 2021 and FPE 30 September 2021, respectively; and

(d) Taiping Farm: NIL and 0.2% of our Group's production requirement for FYE 31 March 2021 and FPE 30 September 2021, respectively.

While we have not experienced any imposition of sanctions by the local councils, there can be no assurance that we will not be subject to enforcement actions by the relevant authorities in the future, including cessation or relocation or monetary penalties.

We have made, or undertake to continue to make, the necessary applications to obtain the necessary approval, certification and/or permission in accordance with the directions of the relevant local authorities. See Section 7.17 of this Prospectus for details on when we expect to obtain such approvals, certifications and/or permissions. We undertake to update our shareholders on the status of our efforts to obtain the abovementioned approvals, certifications and/or permissions through our quarterly reports.

5.1.9 Some of our leases are not registered under the National Land Code

We have sub-leased a piece of land held under HSD 5570, PT 11701, in Mukim Bebar, Daerah Pekan, Pahang ("**PT 11701**") from the Pahang State Development Corporation for a period of 30 years from 1 January 2021 for the purposes of development of fodder and beef cattle farm. We intend to use PT 11701 to cultivate fodder and rear cattle. See Annexure B of this Prospectus for further details of the said sub-lease. Under the terms of the said sub-lease, the sub-lease shall be registered within 3 years from 16 August 2021, by 15 August 2024. As at the LPD, we are discussing with the Pahang State Development Corporation to kick start the preparation of documents for the registration of sub-lease with the objective to expedite the registration of sub-lease.

In order to safeguard our legal interest as sub-lessee (in addition to our contractual rights vis-à-vis the main lessee), we will register the said sub-lease under Section 222(4) of the National Land Code as any sub-lease that is above three years is required to be registered under the National Land Code. Failure to register a sub-lease under the National Land Code will not result in any penalty being imposed. In addition, there is no timeline prescribed under the National Land Code to register a sub-lease. In the event our sub-lease for PT 11701 is not registered, we will not be able to enjoy the rights accorded to a sub-lessee under the National Land Code such as subsequent dealings in the land being subject to our sub-lease.

Separately, we have leased from BDSB a part of the land held under HSD 32179, PTD 1721 and HSD 32180, PTD 1722, both in Mukim Sedili Kechil, Kota Tinggi, Johor (in total 325 acres) ("**Demised Premises**") for a period of 30 years, which is used for our Desaru Farm's operation. See Annexure B of this Prospectus for further details of the said lease.

As at the LPD, BDSB is in the midst of applying to the relevant authority to register a lease over the Demised Premises in favour of Holstein Dairy (Desaru) for a period of 30 years. Failure to register a lease under the National Land Code will not result in any penalty being imposed. In addition, there is no timeline prescribed under the National Land Code to register a lease.

5.1.10 We may be affected by the actions of our customers and suppliers

(i) **Certain customers have historically contributed to a significant proportion of our revenues and an inability to maintain such business may have an adverse effect on our results of operations**

For FPE 30 September 2021, sales of our products through our distribution channels in Malaysia, namely: (i) large format retailers, (ii) stockists and home dealers, (iii) the HORECA market, (iv) export markets and (v) convenience stores represented 46.5%, 30.5%, 16.0%, 4.2% and 2.8%, respectively, of our revenue. Our agreements with our customers are mostly evergreen but may be terminated in the event of a material breach of the contractual terms and without cause on relatively short notice varying between 30 days to 90 days. Our business with our large format retailers is dependent on a number of factors including our continuing relationship with such customers, the quality of our products and our ability to deliver on their orders. We cannot assure you that such customers will continue to do business with us in the future on commercially acceptable terms or at all.

While revenues from any particular customer may vary between financial reporting periods depending on the nature and term of ongoing contracts, historically certain of our key retailers have contributed a significant proportion of our revenues. For FYE 31 March 2019, FYE 31 March 2020, FYE 31 March 2021 and FPE 30 September 2021, sales to our top five customers each year, represented 37.0%, 35.1%, 31.5% and 31.9%, respectively, of our total revenue in such periods, while contributions by Lotuss Stores (Malaysia) Sdn Bhd (formerly known as Tesco Stores (Malaysia) Sdn Bhd), which was our largest customer, represented 11.9%, 10.8%, 12.3% and 13.2%, respectively, of our total revenue in such periods. Significant dependence on certain of these modern retailers may increase the potential volatility of our results of operations and exposure to individual contract risks. In the event there is a material delay, cancellation, reduction and/or cessation of orders, and/or claims for whatever reason by any of these customers or other customers and we are unable to obtain substitute orders of a comparable size, our results of operations and financial condition may be adversely affected.

(ii) **We are exposed to the risk of delays, reductions and cancellations of supplies from our suppliers in general**

Purchases from our top five suppliers accounted for 38.7%, 38.3%, 60.6% and 46.3% of our total purchases for FYE 31 March 2019, FYE 31 March 2020, FYE 31 March 2021 and FPE 30 September 2021, respectively. See Section 7.8.2 of this Prospectus for more information on our major suppliers.

Further, we depend upon certain of our suppliers and vendors to provide the necessary equipment and services that we need for our continuing operations and maintenance of certain plant and machinery. We cannot assure you that we will be able to continue to obtain equipment on commercially acceptable terms, or at all, or that our vendors will continue to enter into or honour the contracts for their services. Our inability to continue to obtain equipment and enter into contracts with our vendors in a timely manner, or at all, could adversely affect our business, financial condition, results of operations and prospects.

(iii) **We are dependent on Tetra Pak (M) for certain of our packaging materials**

Since FYE 31 March 2020, Tetra Pak (M), has been our main supplier of production equipment and product packaging materials. Purchases of packaging materials from Tetra Pak (M) accounted for 5.5%, 9.2% and 5.1% of our total purchases for the FYE 31 March 2020, FYE 31 March 2021 and FPE 30 September 2021, respectively.

We have entered into a long-term supply agreement with Tetra Pak (M) for the supply of packaging materials and equipment to support our production needs. In particular, the packaging for our 200 ml UHT/ambient products is sourced solely from Tetra Pak (M), while the packaging for our 1 litre UHT/ambient products is sourced predominantly from Tetra Pak (M). Until such time as we cease our purchasing from Tetra Pak (M), we are dependent on Tetra Pak (M) for the packaging for our 200 ml UHT/ambient products. See Section 7.8.2 of this Prospectus for more details.

If Tetra Pak (M) ceases to supply us with the requisite packaging for commercial reasons or because of an adverse event in their own businesses and we are not able to source an alternative source of packaging, either in a timely manner, on commercially acceptable terms or at all, our business, results of operations and financial condition may be adversely affected.

(iv) **We are exposed to the credit risks of our customers**

While our normal credit term to our customers ranges from 14 to 75 days from the invoice date or month-end date, we may extend or vary it on a case-by-case basis depending on, among others, the creditworthiness of the customer and the length of the customer relationship. Our trade receivables turnover days for FYE 31 March 2019, FYE 31 March 2020, FYE 31 March 2021 and FPE 30 September 2021 were 57 days, 58 days, 52 days and 56 days, respectively.

Our customers may be unable to meet their contractual payment obligations to us, either in a timely manner or at all. In addition, our customers may cancel their orders. The reasons for payment delays, cancellations or default by our customers may include, amongst others, insolvency, bankruptcy, or insufficient financing or working capital due to late payments by their respective end customers. We may not be able to enforce our contractual rights to receive payment through legal proceedings. While we have not in the past experienced any significant credit issues with our key customers, there is no assurance that our trade receivables can be collected fully or within a reasonable period of time and failure to do so could adversely affect our cash flow and financial performance. We also receive payments upfront in cash from some of our customers. If we are not able to collect payments from our customers, our business, results of operations, financial condition and prospects may be adversely affected.

5.1.11 **Our profitability may be affected by fluctuations in raw material prices or shortages in raw materials**

The nature of our operations requires us to obtain sufficient quantities of raw materials in a timely manner and at acceptable prices in order to continue our operations and meet the demands of our customers. As a result, our business, financial condition and results of operations are vulnerable to changes in the price and supply of raw materials.

The primary raw materials used in our operations are raw milk, animal feed, and ingredients we use in the manufacture of our products and packaging materials. Our cost of raw materials accounted for 75.5%, 77.2%, 74.9% and 70.0% of our total cost of sales in FYE 31 March 2019, FYE 31 March 2020, FYE 31 March 2021 and FPE 30 September 2021, respectively. Raw milk constituted the substantial majority of the raw materials that we require for the production of our products, accounting for 51.4%, 50.9%, 48.5% and 44.7% of our total cost of raw materials in FYE 31 March 2019, FYE 31 March 2020, FYE 31 March 2021 and FPE 30 September 2021, respectively. Although we use internally-sourced raw milk for our operations, we also purchase a majority of the raw milk we require for our operations from third parties in Australia and Malaysia. In FYE 31 March 2019, FYE 31 March 2020, FYE 31 March 2021 and FPE 30 September 2021, we purchased 73.7%, 82.1%, 87.4% and 85.7%, respectively, of our milk from external parties. See Section 7.10 of this Prospectus for more details. The market prices of our raw materials may fluctuate due to, among other reasons, global price fluctuations in raw materials, global freight or shipping issues such as delays, weather conditions, global and regional economic conditions (such as the ongoing COVID-19 pandemic) and negotiations with our suppliers. Our feed costs may be affected as a result of global price fluctuations of certain commodities such as alfalfa and maize. While we have historically been able to pass fluctuations in costs to customers, there can be no assurance that we will be able to continue doing so in the future either on a timely basis or at all. If we are unable to pass on cost increases to customers and we are unsuccessful in alternatively managing our exposure to the effects of raw material price fluctuations, our business, financial condition, results of operations and prospects could be adversely affected.

Disruptions to the operations of our suppliers due to, among others, the ongoing COVID-19 pandemic, could limit our ability to obtain sufficient quantities of raw materials of an acceptable or comparable quality, or at an acceptable price.

As we do not have long-term contracts with the majority of our suppliers, there is no assurance that we will not face shortages of raw materials to meet our production requirements in the future. Although we have not encountered any shortage of raw materials in the past, any sudden shortage of supply or reduction of allocation of raw materials to us from our suppliers, or any increase in raw material prices may result in us having to pay a higher cost for these raw materials which may adversely affect our financial condition and results of operations. In particular, the ongoing COVID-19 pandemic has and is likely to result in increased freight interruptions which may impair our ability to obtain our raw materials. If we are unable to find a comparable source of supply at similar rates and quality or pass on increases in the costs of such raw materials to our customers on a timely basis, the profit margins for our products may be adversely affected.

5.1.12 Exchange rate fluctuations and any weakening of the RM may increase our costs, which could materially affect our results of operations and financial condition

We are exposed to risks related to exchange rate fluctuations, particularly with respect to the AUD and USD. Excluding purchases in AUD by our Australian subsidiaries, our operating expenses are denominated mainly in RM. 76%, 15% and 7% of our total purchases for FPE 30 September 2021 are denominated in RM, AUD and USD, respectively, and our sales are primarily denominated in RM. To the extent that our sales, purchases and operating expenses are not naturally matched in the same currency and there are timing differences between invoicing and collections/payment, we will be exposed to any adverse fluctuations of USD against RM. Our sales are also affected by fluctuations in the AUD given our operations in Australia, and any adverse fluctuations of the AUD against the RM would similarly affect us.

We have entered into hedging transactions to manage our exposure to foreign currency risk. We currently hedge 50% of our fresh milk purchase from Australia using forward contracts. However, hedging transactions may not completely insulate us from risks associated with exchange rate fluctuations. Hedging also typically involves costs, including transaction costs which may reduce overall profits.

Notwithstanding that there has not been any material impact to our financial condition arising from adverse foreign exchange fluctuations in FYE 31 March 2019, FYE 31 March 2020, FYE 31 March 2021 and FPE 30 September 2021, any future adverse change in exchange rates that we are not protected from, including by our hedging strategy, could have a material adverse effect on our business, financial condition, results of operations and prospects.

5.1.13 Our business operations may be adversely affected by the outbreak of any major diseases in our dairy farms

Major outbreaks of illness or disease on any of these premises could have a material adverse impact on our dairy farm operations, in particular on milk production capacity, quality and volume. Although we have not experienced a major outbreak of illness or disease in any of our dairy farms and while we periodically vaccinate our dairy cows as required, we cannot assure you that any outbreak of illness or disease will not occur at our dairy farms in the future. The source of diseases may include contamination from our employees, our feed supplies, visitors to our farms, contaminated water and pathogens transmitted through the air. Any major outbreak of illness or diseases at any of our dairy farms may lead to a significant decline in our milk production or a significant reduction in herd size. We may also be required to suspend our business operations temporarily during any major outbreaks and examine all our cows, and may not receive any government compensation in relation to any such suspension nor loss of revenue. In the event of any outbreak, our business, financial condition, results of operations and prospects could be materially and adversely affected.

In addition, the dairy industry is generally sensitive to consumers' perception of the safety and quality of dairy products. Any major outbreak of illness or diseases among cows or other safety concerns regarding the dairy products generally could lead to a significant loss of consumer confidence in, and demand for, dairy products.

Adverse publicity about such concerns, whether valid or not, may discourage consumers from purchasing dairy products. Therefore, any outbreak among dairy cows in Malaysia, Australia or elsewhere could negatively affect our business, financial condition, results of operations and prospects.

5.1.14 **We may not be able to successfully implement our strategies to grow our business, which may limit our growth prospects**

(i) **Our growth strategy subjects us to various risks and challenges**

Our growth strategy involves investing in new facilities to expand our production and processing capacities and expanding our distribution channels and markets. See Section 7.3 of this Prospectus for details on our future plans and strategies. However, as the prospects of these initiatives are uncertain, there can be no assurance that we will be able to successfully execute our business strategies or that these business strategies will not prove more difficult or costly than we had originally anticipated. In addition, in conducting due diligence in connection with a potential acquisition of interests in existing businesses, we rely on resources available to us, including information provided by the target business. However, there can be no assurance that our due diligence would necessarily reveal all facts that may be relevant to our evaluation of such an opportunity.

Our strategic initiatives may expose us to a number of risks and challenges, including the following:

- new and expanded businesses and business activities may require higher capital expenditures and operating costs than initially planned or anticipated. For example, the expansion of our production and processing capacities may require higher operating or overhead costs than initially planned or anticipated, without a corresponding growth in sales;

- new and expanded businesses and business activities may result in lower growth or profit than we anticipate, with no assurance that these business activities will become profitable at the level that we anticipate or at all. For example, the fruit jam business that we acquired as part of our acquisition of Henry Jones Foods' products' assets and jam business generated lower profits than we anticipated. Our Directors have decided to rationalise the existing business of Henry Jones Foods which would involve, among others, downsizing the fruit jam business;

- new and expanded distribution channels and markets may require and be subject to various governmental and regulatory approvals, consents, reports and filings, which we may not be able to obtain or complete in a timely manner or at all;

- new and expanded businesses may require devotion of substantial amount of time by our management and may divert our management's attention and resources from our existing operations and business;

- we may fail to identify and enter into new business opportunities in a timely manner, placing us at a disadvantage compared to our competitors, particularly in overseas markets;

- we may need to hire or retrain greater numbers of skilled and qualified personnel than we had anticipated in order to supervise and undertake new and expanded business activities. We may not be able to hire or retrain sufficient personnel at reasonable costs or at all. See Section 5.2.3 for further details. Further, in the event of a delay in the commencement of operations of our new facilities, our financial condition may be impacted due to a delay in the recognition of the intended additional revenue, as the corresponding labour costs are incurred; and

- as we continue to gain market share through the expansion of our business operations and distribution network, we may be in a dominant position in the market and may become subject to investigations by the Malaysia Competition Commission for anti-competitive practices such as abuse of dominant position. The Malaysia Competition Commission may investigate us if they receive a complaint or have reason to suspect that we are engaged in anti-competitive practices, and they have the power to make any directions or decisions which we must comply with.

Any of the foregoing may have a material adverse effect on our business, financial condition, results of operations and prospects. Further, although we have achieved relatively fast rates of revenue growth in the last three financial years, past performance is not necessarily indicative of results to be expected for any future period, and the foregoing and other factors discussed in this Prospectus (including without limitation the COVID-19 pandemic) can materially and adversely affect our future results of operations.

(ii) **If our production capacity does not keep pace with the demand of our customers, our competitive position, financial conditions and results of operations may be adversely affected**

A key element of our growth strategy is increasing our market share for our various product offerings, which will require us to increase our production capacity in line with any increase in their demand for our products. As we generally operate the production lines at our processing facilities based on an effective production capacity after taking into consideration, among other reasons, planned downtime for CIP and replenishment of packaging materials (required for our filling and packaging lines) and scheduled maintenance, we may not be able to expand our capacity quickly enough to service the growing demands of our customers, which could lead to a loss of business opportunities or decreased customer satisfaction.

Further, we may be unable to obtain sufficient quantities of raw materials of an acceptable or comparable quality, or at an acceptable price, to meet our production and expansion requirements. We may also be unable to obtain sufficient financing to pursue and implement our growth and expansion strategies in a timely manner or on terms and conditions acceptable to us or at all.

If we are unable to grow and expand as quickly as anticipated, we may be placed at a disadvantage as compared to our competitors and our business, financial condition, results of operations and prospects may be adversely affected.

5.1.15 **We are subject to risks associated with technological changes, advancements in materials technology and cybersecurity**

Our business is susceptible to changes in technology. With the advancement of technology and continual research and development in the breeding and production process for the dairy industry, new production techniques for breeding cows and for our products may be developed. There is no assurance that potential competitors may not in the future adopt newer and cheaper alternatives to replace the raw materials used in the production of our products. This may result in lower production costs per unit. While we have increased our investment in research and development, if we are unable to adapt our production processes with newer and more efficient production techniques against other dairy companies, we may lose our market share and our business, financial condition, results of operations and prospects may be adversely affected. See Section 12.2.5(iv) of this Prospectus for details on our research and development expenses.

In addition, the use of the internet and technology exposes us to cybersecurity risks. Some of the threats related to these risks are phishing/social engineering, data breach and malware attack. In addition to intentional cyber events, unintentional cyber events can occur, which may include the inadvertent release of confidential information, the mishandling or misuse of information and technological limitations or hardware failures in the information technology systems that we use.

Breaches of our cybersecurity measures could result in unauthorised access to our systems, misappropriation of information or data, deletion or modification of customer information, or a denial of service or other interruption to our business operations. Our competitors may also acquire confidential information about our current and future products and plans through such cybersecurity breaches or leaks.

In addition, we store our customers' personal information and data electronically. A breach of our cybersecurity measures or any accidental loss, inadvertent disclosure or unapproved dissemination of confidential customer data could expose us, our customers or the individuals affected to a risk of loss or misuse of this information or cause interruptions in our operations. Further, the unauthorised disclosure of confidential customer data, whether intentional or unintentional, could render us liable to our customers for damages, damage our reputation and cause us to lose customers.

Any cyber event could cause our Group to incur financial loss and expense as well as face exposure to legal claims, reputational damage and additional costs associated with corrective measures, each of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

5.1.16 Our insurance coverage may be inadequate

Our insurance coverage may not adequately protect us from the key risks associated with our business. Our Group maintains various insurance policies covering, amongst others, goods-in-transit insurance, public liability insurance for any accidental injuries suffered by a third party on our properties, and any consequential losses. We also insure our principal assets (save for our biological assets) against risk of physical loss or damage caused by accident, fire, civil disorder and/or natural disasters. As at the LPD, our various insurance policies provide us with coverage of up to about RM960 million in aggregate. As at 30 September 2021, our total assets were about RM690 million. All our insurance policies are subject to exclusions and limitations of liability with respect to amounts and the insured events. See Section 7.14 of this Prospectus for further information on our insurance policies. However, there is no assurance that we will be able to continue to maintain our existing insurance coverage or obtain insurance policies on economically viable terms or acceptable premiums.

During the course of our operations, we may face various claims and disputes against liabilities that are not insured adequately, or at all, or liabilities that cannot be insured. For example, we will not able to claim for any losses relating to or damages to our biological assets as we do not have insurance coverage for our biological assets. While we have successfully made claims under our insurance policies in the past, there can be no assurance that our existing insurance policies will be sufficient to cover all of our potential losses or risks associated with our business and operations. In March 2018, there was a fire incident caused by electrical failure at our Muadzam Shah site which affected our general store, from which we suffered estimated losses of about

RM300,000. In June 2021, there was another fire incident caused by electrical failure at our Taiping Farm, from which we suffered estimated losses of around RM190,800. While we received compensation for these incidents and have successfully made claims under our insurance policies in the past, there can be no assurance that we will be able to successfully claim for the full amount of the losses suffered or receive the full amount of our claim from the insurer or that our existing insurance policies will be sufficient to cover all of our potential losses or risks associated with our business and operations.

To the extent that we suffer losses or damages as a result of a risk for which we do not maintain insurance or which is not covered by our insurance policies or where the cost of the losses or damages exceeds our insurance coverage, we will have to bear such costs which could have a material adverse effect on our business, financial condition and results of operations.

5.1.17 Exchange controls and policies may materially and adversely affect us

In Malaysia, under Notice 7 of the Foreign Exchange Notices issued by BNM, resident exporters can retain any PEG in a Trade Foreign Currency Account maintained with a Licensed Onshore Bank or convert the PEG to RM according to its foreign currencies and ringgit cash flow needs.

However, there can be no assurance that the government or central bank in the countries where we operate will not impose more restrictive or other foreign exchange controls. Any imposition, variation or removal of exchange controls may lead to increased exposure of the economy to potential risks and vulnerability of developments in the international markets. This may adversely affect our business, financial condition and results of operations, the value of our Shares and the ability of our shareholders to liquidate our Shares.

Central banks in the countries where we operate may intervene in the currency exchange markets in furtherance of their policies, either by selling local currency or by using its foreign currency reserves to purchase local currency. There can be no assurance that the currencies will not be subject to depreciation and continued volatility, or that the government will take additional action to stabilise, maintain or increase the value of the respective currencies, or that any of these actions, if taken, will be successful.

Changes to the current exchange rate policies by any of the countries where we operate could result in liquidity shortages, capital or exchange controls or the withholding of additional financial assistance by multinational lenders. This could result in a reduction of economic activity, economic recession, loan defaults or declining interest by our customers, and as a result, we may also face difficulties in funding our capital expenditure and in implementing our business strategies. Any of these consequences could have a material and adverse effect on our business, financial condition, results of operations and prospects.

We expect to use RM60.0 million of the gross proceeds from our Listing for the expansion of our production facility in Australia, and RM40.0 million of the gross proceeds from our Listing for regional expansion outside of Malaysia within 18 months and 24 months, respectively, from the date of our Listing as set out in Section 4.6.1 of this Prospectus. We do not expect that our remittance of the proceeds from our Listing towards investment activities outside of Malaysia presents a risk that we would have to seek BNM's prior approval as the deployment of the proceeds are expected to be less than RM50.0 million a calendar year. However, there can be no guarantee that we will always be able to obtain BNM's approval for overseas remittance as we expand, due to the funding requirements of our overseas investments and where such investments abroad are for amounts exceeding the prescribed amounts set out under BNM's Foreign Exchange Notices in place at the material time necessitating BNM's approval. If such approval is not obtained in a timely manner, or at all, or on conditions that are prohibitively costly for us to comply with, our business, financial condition, results of operations and prospects could be materially and adversely affected.

5.1.18 Our success depends on our Executive Director and key senior management team and our ability to attract and retain talented personnel

We believe that our future success is heavily dependent upon the continued service of our Executive Director and key senior management team who have valuable experience in the business and industry in which we operate, and an important depth of understanding of the demands of our business, industry and our customers' needs. See Sections 9.1 and 9.3 of this Prospectus for further information on our Executive Director and key senior management.

While we believe we offer attractive terms of employment, there can be no assurance that we will retain our Executive Director and key senior management or any other key personnel or that we will be able to attract, train or retain qualified personnel in the future. The loss of services of one or more of our Executive Director or key senior management may adversely affect the execution and implementation of our business strategies, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

5.1.19 We are controlled by our Substantial Shareholders whose interests may not always align with our other shareholders

Immediately following the completion of our IPO, our substantial shareholders will own in aggregate 60% of our enlarged issued Shares assuming the Over-allotment Option is not exercised. The interests of our Substantial Shareholders may differ from our interest or the interests of our other shareholders and our Substantial Shareholders may be able to exercise significant influence over the vote of our Shares, including voting on director appointments and consequently, may be able to influence the composition of our Board. Our Substantial Shareholders could also have significant influence in determining the outcome of any corporate transaction or other matters submitted to our shareholders for approval, including mergers, consolidations and the sale of all or substantially all of our assets and other significant corporate actions to the extent that they are not required to abstain from voting (and procuring persons connected to them to abstain from voting) in respect of such transactions and corporate actions. There can be no assurance that the interests of our Substantial Shareholders will be aligned with those of our other shareholders.

5.2 RISKS RELATING TO OUR INDUSTRY

5.2.1 The dairy industry, especially the downstream business, is highly competitive. We might lose our market share or may not be able to maintain our pricing

The dairy industry is highly competitive, especially the markets for liquid dairy products, which are experiencing rapid development and increasing competition. According to Frost & Sullivan, we are Malaysia's largest integrated producer of dairy products made from fresh raw milk. We are also the second-largest player in the RTD milk category (market share of 18%) and the third-largest player in the yoghurt category (market share of 11%) in Malaysia for the first nine months of 2021. See Section 8 of this Prospectus for more details. We compete with large multinational companies particularly with respect to milk powder products, as well as regional and local companies in each of the regions in which we operate. In addition, in most product categories, we compete not only with other widely advertised branded products, but also with private labels, store and economy brand products that are generally sold at lower prices. Many of our competitors have been in this business longer than we have, and/or may have substantially greater financial and other resources than we have and may be better established with more solid brand recognition in the business than we have.

Our competitors in certain regional markets may also benefit from raw material sources or production facilities that are closer to the markets for the downstream products or may benefit from their attempt in integrating upstream and downstream production processes, which provides them with competitive advantages in terms of costs and proximity to consumers. Some of our competitors have used, and we expect them to continue to use, greater amounts of incentives and subsidies for distributors and retailers and more advanced processes and technologies.

In addition, other players in the industry may also engage in integration within the value chain and other strategic initiatives that could enhance or expand their current operations or products or that might otherwise offer them with growth opportunities. Such strategic moves may lead to a more competitive environment.

The above advantages of our competitors might put us in the position to invest a significant amount of expenditure on quality control, product distribution, marketing and promotion in order to secure our market share and establish our brand name. Our failure to introduce products that differentiate us from our competitors might result in the loss of our market share. In addition, our competitors' significant increase in their advertising expenditures and promotional activities might lead us to engage in irrational or predatory price reductions, which could dilute our margins and materially and adversely affect our business, financial condition and results of operations. See Section 8 of this Prospectus for details of our competitors and the barriers to entry in our industry.

5.2.2 We may face demand decline due to changes in consumer preferences, which may materially and adversely affect our operating results

Our success depends on our ability to anticipate, identify, interpret and respond to the evolving tastes, dietary and nutritional needs of consumers and offer products that appeal to them. Sales of our products could be affected by nutritional and health-related concerns, such as fat, cholesterol, calorie, sodium, lactose, fructose, bacteria and other ingredients contained in our products. Consumer trends in the dairy industry change from time to time and our failure to anticipate, identify, interpret and respond to these changes, or our failure to generate consumer acceptance or recognition of our new products, could lead to, amongst others, reduced demand for and/or price reductions of our products, which in turn could materially and adversely affect business, financial condition, results of operations and prospects.

Even if we do correctly anticipate, identify, interpret and respond to these changes by offering new products, we cannot assure you that we will be able to successfully compete in these new product lines, that demand for these new products will grow to the extent that we expect, or that these new product lines and products will provide the returns that we expect. If we are unable to respond to rapid changes in consumer preferences in a timely manner, or at all, or if our competitors are able to address these concerns more effectively or efficiently, our business, financial condition, results of operations and prospects could be materially and adversely affected.

5.2.3 Rising operational and expansion costs could materially and adversely affect our business, financial condition, results of operations and prospects

A significant increase in labour costs, including costs for compliance with new labour policies, could have a material adverse effect on our business. In addition, our transportation and logistics costs have been increasing, from RM9.6 million in FYE 31 March 2019 to RM24.5 million in FYE 31 March 2021. In FPE 30 September 2021, our transportation and logistics costs totalled RM11.6 million. There can be no assurance that rising labour, utilities and logistics costs could not have an increasingly adverse impact upon our operational costs and materially and adversely affect our business, financial condition, results of operations and prospects.

Further, expanding our dairy farms and processing facilities requires construction lead time and significant investment. Our managerial, operational and financial resources may be strained in the execution of our plans for expansion. We may need to integrate additional operations for the manufacturing of different product lines, and our management may also find it challenging to procure and allocate sufficient resources to support our expansion, including raw materials, adequate production, warehousing and transportation infrastructure, and increased distribution and marketing channels, for which we may need to obtain third-party financing. In addition, expanding our farming and processing capacities may also require the corresponding expansion of our distribution network. We cannot assure you that our personnel, systems, procedures and control measures will be adequate to support our future growth, or that we will be able to find adequate third-party financing in a timely manner and on acceptable terms, or at all. Delays in any expansion plans for our operations could result in loss of revenue, increase in financing costs or restraint on working capital which could adversely affect our cash flow, business, financial condition, results of operations and prospects.

5.2.4 We depend on timely access to supplies and equipment and on a reliable transportation and transmission infrastructure

We depend on reliable transportation and transmission infrastructure for the transmission of power and for transport of the substantial amounts of raw materials, fuel, water and other supplies and equipment needed to carry out our business operations. Our access to transmission and transportation infrastructure could be interrupted as a result of, among other things, political events that affect supplier relations or supply infrastructure, insufficient transportation infrastructure and other problems in transporting sufficient quantities of these supplies to our facilities, adverse weather conditions and act(s) of God, sabotage, acts of terrorism, government restrictions, economic sanctions against the governments of countries where suppliers are located or where supplies are to be received, industrial action, regional hostilities, adverse weather conditions and other hazards and force majeure events.

5.2.5 We may face allegations of forced or unethical labour practices

We may from time to time face allegations of forced or unethical labour practices, even if the basis for such allegations are not valid. Any allegations of forced or unethical labour practices may negatively affect our customers' willingness to trade with us or may lead to negative publicity. Governments in other countries may also restrict or ban the import of our products due to such allegations or negative publicity, which may adversely affect our business, financial condition, results of operations and prospects. We have also been subject to the occasional audit by large multinational retailers. While none of such large multinational retailers has opined that our current labour practices are not aligned with global practices, there can be no assurance that such opinions will not arise. Further, while there have been no negative complaints from workers themselves, we cannot confirm that no such complaints will arise and which may have a negative impact on our business.

5.2.6 We may be affected by negative publicity

Our industry has from time to time been the subject of negative publicity. Negative publicity associated with our Group, any of our officers or employees or the dairy industry in general may affect the market perception of our Group and have an adverse effect on our business, results of operations, financial condition and prospects. Examples of these include publication of industry findings, research reports or health concerns in relation to labour practices and ESG standards in the dairy industry in Malaysia, our products or the products of our competitors.

The publication of reports asserting or alleging lower ESG standards by us and our competitors in Malaysia may negatively impact the reputation of our Group and the industry as a whole. These concerns could cause governments in other countries to impose bans on the import of our products or cause our customers to avoid purchasing certain products from us, or seek alternative sources of supply for their needs, even if the basis for the concern is not valid or outside of our control.

In addition, reports in publications and journals may have a negative effect on our image. The publication of reports asserting or alleging that milk or other dairy products in general (even if not sold by us) may cause allergies or adverse reactions may have a negative effect on our sales regardless of whether such reports are substantiated scientifically or whether the harmful effects are restricted to the products sold by other companies. We could be adversely affected if customers lose confidence in the safety and quality of our products.

Any product contamination involving our competitors could also impact the reputation of the industry as a whole and have a negative effect on our business. See also Sections 5.1.1 and 5.1.4 on the reputational risk associated with actual or perceived product contamination.

Further, any complaints or product liability claims by customers may also affect public perception of our products. If we are required to compensate our customers as a result of such complaints or claims, our corporate image, business, financial condition, results of operations and prospects may be adversely affected.

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5.3 RISKS RELATING TO THE COUNTRIES WHERE WE OPERATE

5.3.1 We are subject to the laws, regulations, policies and political and social environments and other risks generally associated with business operations in the countries where we operate and export to which are or may become more onerous

We engage in business activities in Malaysia and Australia with 87.0%, 86.7%, 85.6% and 84.6% of our revenue being derived from our operations in Malaysia in FYE 31 March 2019, FYE 31 March 2020, FYE 31 March 2021 and FPE 30 September 2021, respectively. As such, our business is and will continue to be subject to the risks generally associated with business operations in Malaysia and Australia, the markets in which we operate in and export to, and the new markets we intend to expand to (such as Hong Kong, Indonesia and the Philippines), including:

(i) governmental regulations (including as a response to outbreaks of pandemics) applicable to our industry;

(ii) changes in social, political and economic conditions;

(iii) transportation and freight delays;

(iv) power and utility shutdowns or shortages;

(v) limitations on foreign investment;

(vi) restriction on imports and exports (including import-export tariffs, duties and quotas);

(vii) changes in local labour conditions;

(viii) changes in tax and other laws and regulations such as, among others, the reintroduction of GST;

(ix) expropriation and nationalism of our assets in a particular jurisdiction; and

(x) restrictions on repatriation of dividends or profits or other capital transfers or movements.

In addition, as we are subject to the laws, regulations, policies and the political and social environment of the countries where we operate, particularly in Malaysia and Australia, we are exposed to the risk of enforcement actions and investigations due to non-compliance with such relevant laws, regulations and policies. Such laws, regulations and policies include those relating to:

(i) production safety, health and supervision;

(ii) environmental protection;

(iii) direct and indirect taxes;

(iv) subsidies;

(v) exchange controls and controls on the transfer of funds;

(vi) constraints on price increases of our products, such as through anti-profiteering laws;

(vii) intellectual property protection;

(viii) labour protection and human rights compliance;

(ix) anti-competition laws;

(x) anti-corruption laws;

(xi) anti-money laundering laws; and

(xii) privacy and data protection.

In addition, we are subject to the risk that regulatory authorities may, from time to time, impose standards and requirements, which could be more stringent or onerous than those which currently apply to us. We may also be subject to legal, regulatory, political and policy changes which we may not be able to anticipate. Our business, financial condition, results of operations and prospects could be adversely affected by any of the foregoing factors.

5.3.2 **Our Group's business and results of operations is exposed to political, economic and social conditions in the countries where we operate or sell our products to or purchase our raw materials**

Our business, prospects, financial condition, results of operations and prospects may be adversely affected by political and social developments in the countries where we operate, sell our products to or purchase our raw materials from.

Such political and social uncertainties are often beyond our control and include, but are not limited to, changes in political leadership, internal conflict, nationalisation, expropriation, price and capital controls, sudden restrictive changes to government policies, import controls, introduction of new taxes on goods and services, introduction of new laws, as well as demonstrations, riots, coups and war, unemployment trends and other matters that influence continued and stable business operations and consumer confidence and spending.

We have in the past experienced in Malaysia incidents of political and ethnic disturbances. There is no assurance that civil disturbances and political instability will not occur in the future. If these were to occur, such disturbances could lead to further political and economic instability as well as loss of confidence in investment in those countries and materially and adversely affect our business, financial condition, results of operations and prospects.

In addition, government intervention and significant changes in policies in Malaysia including inflation, wage and price controls, capital controls, interest rates controls and limitations on imports or exports, may adversely affect our business, financial condition, results of operations and/or prospects. Economic slow-downs and global market fluctuations may also have a material adverse effect on global economic conditions and investment sentiments. Such developments could adversely affect our business, lead to reduction in demand for our products and adversely affect our business, financial condition, results of operations and prospects.

5.3.3 **We conduct our operations in Malaysia, which may be more vulnerable to liquidity and credit risks and may be adversely affected by market downturns and economic slowdown**

The disruptions experienced in the international and domestic capital markets have led to reduced liquidity and increased credit risk premiums for certain market participants and have resulted in a reduction of available financing. Companies located in countries within the emerging markets such as Malaysia, where we operate, may be particularly susceptible to these disruptions and reductions in the availability of credit or increases in financing costs, which could result in them experiencing financial difficulty. In addition, the availability of credit to entities operating within the emerging and developing markets is significantly influenced by the level of investor confidence in such markets as a whole and as such any factors that impact market confidence including a decrease in credit ratings, state or central bank intervention in a market or terrorist activity and conflict, could affect the price or availability of funding for entities within any of these markets.

There can be no assurance that there will be continued funding for our entities within these markets or that such lack of funding will not directly or indirectly, materially and adversely affect our business, financial condition, results of operations and prospects.

Since the global economic crisis in 2008, certain emerging market economies have been, and may continue to be, adversely affected by market downturns and economic slowdowns elsewhere in the world. As has happened in the past, financial problems outside of countries with emerging or developing economies, or an increase in the perceived risks associated with investing in such economies could dampen foreign investment in and adversely affect the economies of these countries. Investments in emerging markets in which we are present and do business, may therefore be subject to greater risks than in more developed markets, including in some cases significant legal, fiscal, economic and political risks.

5.3.4 Labour laws in the countries where we operate may affect our business, financial condition, results of operations and prospects

As at the LPD, we have 764 employees (including contract workers) on our payroll. See Section 7.20 of this Prospectus for more details on our employees.

We are subject to a number of stringent labour laws that protect the interests of workers, including, amongst others, legislation that sets forth matters relating to employee removal and legislation that imposes financial obligations on employers upon retrenchment. If labour laws become more stringent or are more strictly enforced, it may become more difficult for us to maintain flexible human resource policies, discharge employees or downsize. See also Section 5.2.5 of this Prospectus on potential allegations about unethical labour practices.

In addition, labour unrest and activism in Malaysia could disrupt our operations and financial condition, depress the stock prices of companies and the value of RM relative to other currencies. Further, any national or regional inflation of wages will directly and indirectly increase operating costs and thus lead to a decrease in our profit margin. Such events could materially and adversely affect our business, financial condition, results of operations and prospects.

5.3.5 Environmental laws, regulations and standards may expose our Group to the risk of substantial costs and liabilities

We are required to comply with environmental protection, health and safety laws and regulations. Some of these regulations require us to adopt measures to effectively control and properly dispose of animal waste, waste water, dust and other environmental waste materials.

Due to the scale of our operations, it is inevitable that a large quantity of waste and emissions is produced, some of which require appropriate disposal. While we have adopted measures to control the disposal of waste gases, waste water and other environmental waste materials and to reduce the environmental impact of the discharged waste, there is no assurance that these measures may be sufficient now or in the future. Even with careful and regular monitoring, such environmental issues may continue until they are brought to our attention.

Any failure to comply with relevant environmental laws and regulations, depending on the type and severity of any violation, may cause us to be subject to, amongst other things, warnings from relevant authorities, imposition of fines and/or criminal liability, being ordered to close down our business operations and suspension of relevant permits.

As a result, our reputation may be harmed and our business, financial condition, results of operations and prospects could be materially and adversely affected. In addition, as laws and regulations are becoming increasingly more stringent worldwide (including environmental and competition laws and regulations), there can be no assurance that we will not be required to incur significant costs to comply with such laws and regulations in the future.

5.4 RISKS RELATING TO OUR SHARES

5.4.1 Our Listing may not result in an active liquid market for our Shares

There can be no assurance as to the liquidity of the market that may develop for our Shares, the ability of holders to sell our Shares or the price at which holders would be able to sell our Shares. Neither we nor our Promoters have an obligation to make a market for our Shares or, if such a market does develop, sustain it.

In addition, there can be no assurance that the trading price of our Shares will reflect our operations and financial conditions, our growth prospects or the growth prospects of the industry in which we operate.

5.4.2 Our Share price and trading volume may be volatile

The market price of our Shares may fluctuate as a result of, amongst other things, the following:

- general market, political and economic conditions;
- trading liquidity of our Shares;
- differences in our actual financial and operating results and those expected by investors and analysts;
- changes in earnings estimates and recommendations by financial analysts;
- changes in market valuations of listed shares in general or shares of companies comparable to ours;
- perceived prospects of our business and the industry where we operate;
- adverse media reports regarding us or our shareholders;
- changes in government policy, legislation or regulation; and
- general operational and business risks.

In addition, many of the risks described elsewhere in this Prospectus could materially and adversely affect the market price of our Shares. Furthermore, if the trading volume of our Shares is low, price fluctuation may be exacerbated. While locked up shareholders are restricted from selling any of their Shares for a period of six months following our Listing, the market price of our Shares may also fluctuate if our existing shareholders choose to sell their Shares in the future. For further details on the moratorium and our lock-up arrangements, see Sections 2.2 and 4.8.3 of this Prospectus, respectively. Accordingly, there can be no assurance that our Shares will not trade at prices lower than the Final Retail Price.

Over the past few years, the Malaysian, regional and global equity markets have experienced significant price and volume volatility that has affected the share prices of many companies. The share price of many companies have experienced wide fluctuations which were not always related to the operating performance of those companies. There can be no assurance that the price and trading of our Shares will not be subject to similar fluctuations.

5.4.3 The sale, or the possible sale, of a substantial number of our Shares in the public market following our Listing could adversely affect the price of our Shares

Following our Listing, we will have in issue 1,857,954,837 Shares, of which up to 787,772,800 Shares, representing up to 42.40% of our enlarged issued share capital, will be held by investors participating in our Listing, and not less than 850,943,437 Shares, representing 45.80% of our enlarged issued Shares will be held by our Promoters via their direct and/or indirect interests in our Company. Save for the restrictions in relation to the moratoriums and our lock-up arrangements as set out in Sections 2.2 and 4.8.3 of this Prospectus, respectively, our Shares sold in our Listing will be traded on the Main Market of Bursa Securities without restriction following our Listing.

Our Promoters and other shareholders, including the Selling Shareholders, could dispose of some or all of our Shares that they hold after the moratorium period pursuant to their own investment objectives. If our shareholders sell, or are perceived as intending to sell, a substantial amount of our Shares that they hold, the market price for our Shares could be adversely affected.

5.4.4 There may be a delay in, or termination of, our Listing

The occurrence of certain events, including the following, may cause a delay in, or termination of, our Listing:

(i) the Joint Managing Underwriters' or Joint Underwriters' exercise of their rights under the Retail Underwriting Agreement, or the Joint Global Coordinators' or the Joint Bookrunners' exercise of their rights under the Placement Agreement, to discharge themselves of their obligations under such agreements;

(ii) our inability to meet the minimum public shareholding spread requirement pursuant to Paragraph 3.06 of the Listing Requirements of having at least 25.0% of the total number of our Shares for which our Listing is sought being in the hands of at least 1,000 public shareholders holding at least 100 Shares each at the point of our Listing as approved by Bursa Securities. See Section 2.1 of this Prospectus for details; or

(iii) the revocation of the approvals from the relevant authorities for our Listing for whatever reason.

Where prior to the issuance and allotment or transfer of our IPO Shares:

(i) the SC issues a stop order under Section 245(1) of the CMSA, the applications shall be deemed to be withdrawn and cancelled and we and the Selling Shareholders shall repay all monies paid in respect of the applications for our IPO Shares within 14 days of the stop order, failing which we shall be liable to return such monies with interest at the rate of 10.0% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(a) of the CMSA; or

(ii) our Listing is aborted other than pursuant to a stop order by the SC under Section 245(7)(a) of the CMSA, investors will not receive any IPO Shares, and all monies paid in respect of all applications for our IPO Shares will be refunded free of interest.

Where subsequent to the issuance and allotment or transfer of our IPO Shares and the issue proceeds form part of our share capital:

(i) the SC issues a stop order under Section 245(1) of the CMSA, any issue of our Issue Shares shall be deemed to be void and all monies received from the applicants shall be forthwith repaid and if any such money is not repaid within 14 days of the date of service of the stop order, we shall be liable to return such monies with interest at the rate of 10.0% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(b) of the CMSA; or

(ii) our Listing is aborted other than pursuant to a stop order by the SC, a return of monies to our shareholders could only be achieved by way of a cancellation of our share capital as provided under the Act and its related rules. Such cancellation can be implemented by the sanction of our shareholders by way of special resolution in a general meeting and supported by either (a) consent by our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya, in which case there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances, or (b) a solvency statement from our Directors.

5.4.5 We may not be able to pay dividends

As part of our Board's guidance on dividends, we aim to declare a certain portion of our retained earnings for the year, subject to the approval of our Board and to any applicable law and contractual obligations, as dividends, provided that such distribution will not be detrimental to our Group's cash requirements or to any plans approved by our Board. See Section 12.4 of this Prospectus for further details. We propose to pay dividends after setting aside the necessary funding for our capital expenditure and working capital needs such that any declaration of dividends shall not exceed our distributable profits. We may not declare dividends should there be events of default occurring or that would occur with such dividend payment. Dividend payments are not guaranteed and our Board may decide, in its sole and absolute discretion, at any time and for any reason, not to pay dividends or to pay smaller dividends than we currently propose.

We conduct a significant portion of our operations through our subsidiaries. Accordingly, dividends and other distributions received from our subsidiaries are a significant source of our income. Our Group has entered into, and may further enter into, financing agreements, which could limit our ability to pay dividends or other distributions, and we may incur expenses or liabilities that would reduce or eliminate the cash or profit available for distribution. If we do not pay dividends or pay dividends at levels lower than that anticipated by investors, the market price of our Shares may be negatively affected and the value of your investment in our Shares may be reduced. In addition, certain of the facility agreements entered into by our Group, such as our wholly-owned subsidiary, FFMSB, contain certain negative and financial covenants. If our Group is in breach of any of these covenants, it may affect our ability to pay dividends.

Further, our payment of dividends may adversely affect our ability to fund unexpected capital expenditure as well as our ability to make future interest and principal repayments on any borrowings that we may have outstanding at the time. As a result, we may be required to borrow additional money or raise capital by issuing equity securities, which may not be possible or on favourable terms or at all. Further, if we incur new borrowings subsequent to our Listing, we may be subject to covenants restricting our ability to pay dividends.

5.4.6 Forward-looking statements in this Prospectus may not be accurate

This Prospectus contains forward-looking statements. All statements, other than statements of historical facts, included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, prospects, plans and objectives of our Group for future operations, are forward-looking statements. Such forward-looking statements are made based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such factors include, amongst others, general economic and business conditions, competition, the impact of new laws and regulations affecting our industry and government initiatives. Forward-looking statements can be identified by the use of forward-looking terminologies, such as the words "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast" or similar expressions, and include all statements that are not historical facts. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, including COVID-19 related factors, risks and challenges, that may cause our actual results, performance or achievements of our Group, or industry results, to be materially different from any future results, performance or achievements, or industry results expressed or implied by such forward-looking statements.

In light of these uncertainties, the inclusion of such forward-looking statements in this Prospectus should not be regarded as a representation or warranty by us or our advisers that such plans and objectives will be achieved.

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6.1 OUR COMPANY

6.1.1 History and background

Our Company was incorporated in Malaysia under the Companies Act, 1965 on 24 March 2010 as a private limited company under the name of The Holstein Milk Company Sdn Bhd and is deemed registered under the Act. On 24 May 2021, our Company changed its name to Farm Fresh Sdn Bhd and subsequently on 22 September 2021, our Company was converted into a public company and assumed the name of Farm Fresh Berhad.

The principal activity of our Company is that of rearing dairy cows and the sale of dairy cows' milk whilst, together with our subsidiaries, we form a fast-growing vertically integrated dairy group engaged in the business of farming, manufacturing and distribution of various dairy products and plant-based products. The principal activities of our subsidiaries are further set out in Section 6.3 of this Prospectus.

The history of our business can be traced back to 2009 when our founders, Loi Tuan Ee and Loi Tuan Kin, commenced our dairy farming operations under FFMSB (formerly known as Ladang Anglo Nubian Sdn Bhd) involving the rearing of goats and sale of goats' milk. Loi Tuan Ee then brought in Azmi Bin Zainal to assist with FFMSB's operations. With support from Khazanah, we established our Muadzam Shah Farm in Pahang which became fully operational in 2014 with a focus on rearing dairy cows.

Since then, our Group has expanded our business operations via strategic acquisitions, notably the acquisition of AFS Dairy Company which was completed in 2017, granting our Company ownership of one of the largest remaining gene banks of the AFS dairy breed.

As at the LPD, our Group has a diverse product portfolio which consists primarily of chilled RTD milk products, UHT/ambient RTD products, plant-based products, yoghurt products and fruit jam and sauces. Our Group also generates revenue from the sales of other products, including beef and kurma, as at the LPD. While we have previously sold 100% of the raw milk we produce to third parties, we have, since end September 2021, stopped selling raw milk we produce to third parties (save for instances where we have raw milk in excess of our processed milk requirements) as we can process raw milk in our Kyabram Facility. In addition, during the FPE 30 September 2021, our Directors have decided to rationalise the existing business of Henry Jones Foods, which would involve, amongst others, downsizing the fruit jam business.

6.1.2 Share capital

Our issued share capital is RM87,779,796, comprising 1,635,000,137 ordinary shares as at the date of this Prospectus.

Save as disclosed below, there has been no change in our issued share capital for the past three years preceding the LPD:

Date of allotment	No. of Shares	Consideration	Cumulative issued share capital (RM)
28 September 2018	60,000,000	Cash	87,779,796
27 December 2021	1,550,000,138	Nil(1)	87,779,796

Note:

(1) Bonus Issue pursuant to the Pre-IPO Exercise as set out in Section 4.2.1 of this Prospectus.

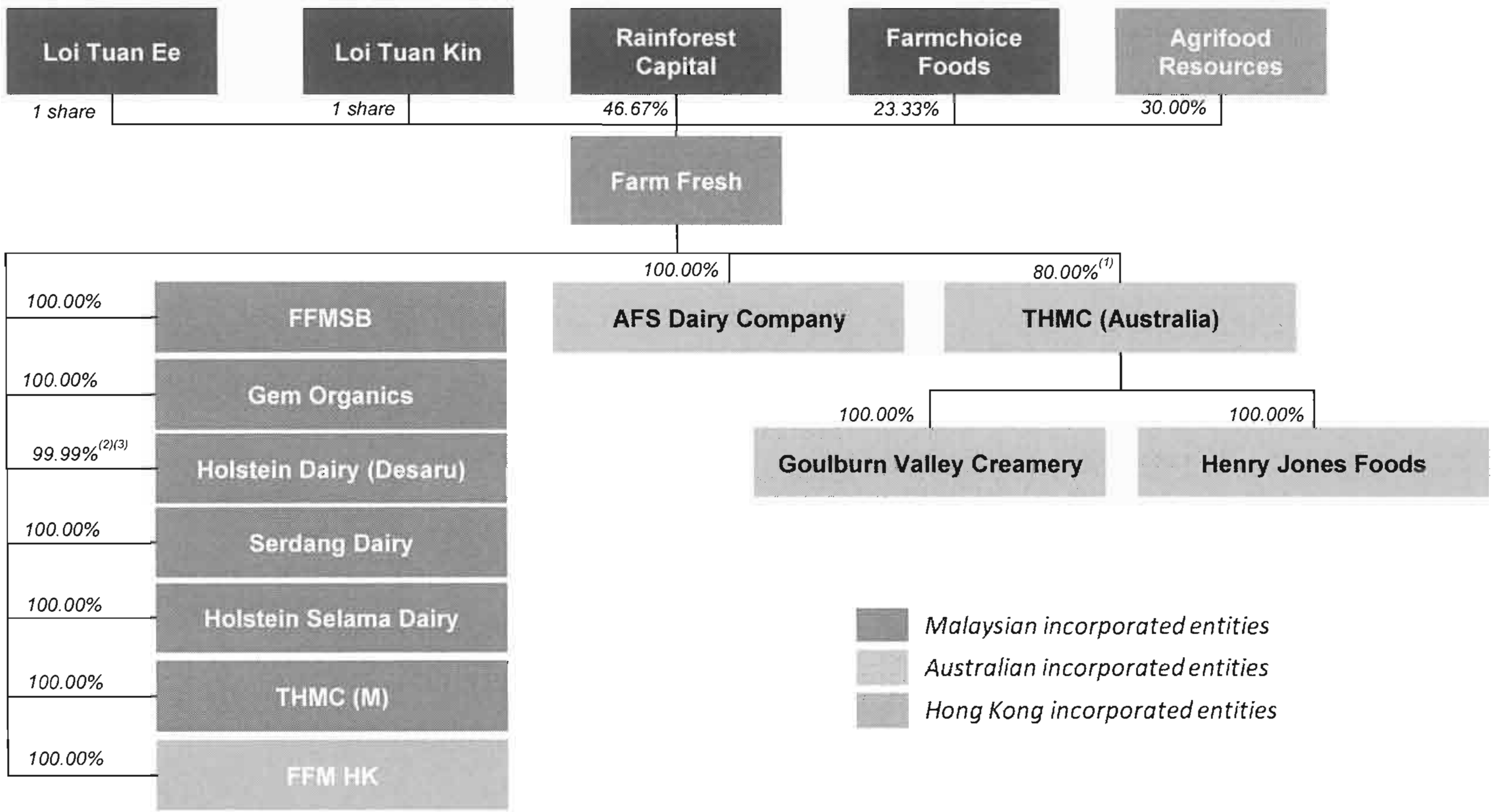
There are no discounts, special terms or instalment payment terms applicable to the payment of consideration for the above allotment.

Upon the completion of our IPO, our enlarged issued share capital will increase up to 1,857,954,837 Shares. Our Company does not have any treasury shares as at the LPD.

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

6.2 OUR GROUP STRUCTURE

An overview of our group structure as at the LPD is as follows:



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

Notes:

(1) *Remaining 20% held by Dairy Livestock Exports Pty Ltd, which is wholly-owned by Adam Graeme Pretty. Dairy Livestock Exports Pty Ltd is the trustee for the Adam Pretty Family Trust. Adam Graeme Pretty is the Managing Director of the Australian Business.*

(2) *Loi Tuan Ee and Azmi Bin Zainal hold one share each in Holstein Dairy (Desaru).*

(3) *Pursuant to the terms of the joint venture agreement dated 23 February 2015 between Bio Desaru Sdn Bhd and our Company (as supplemented by the supplementary agreement dated 17 May 2018) ("**JVA**"), Bio Desaru Sdn Bhd will subscribe for 33% ordinary shares in Holstein Dairy (Desaru) to be satisfied by part of the rental under the registered lease for the Desaru Farm. Please refer to Section 14.6.1 of this Prospectus for further details on the JVA.*

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6.3 OUR SUBSIDIARIES

As at the LPD, our Company has 11 subsidiaries and does not have any associates. Our subsidiaries as at the LPD are as follows:

Name and company number	Date and country of incorporation	Issued Share capital	Our Company's effective equity interest (%)	Principal activities
Subsidiaries				
FFMSB 200701033521 (791549-H)	10 October 2007 (Malaysia)	RM8,794,984.09	100.00	Rearing of dairy goats and cows and the production, marketing and sale of goat's and cow's milk
Gem Organics 199901007569 (482469-T)	3 May 1999 (Malaysia)	RM100,000	100.00	Planters and cultivators
Holstein Dairy (Desaru) 201501020172 (1145508-K)	22 May 2015 (Malaysia)	RM3,000,002	99.99	Those relating to rearing of dairy cows and sale of cow's milk
Serdang Dairy 202001026174 (1382494-T)	2 September 2020 (Malaysia)	RM100,002	100.00	Manufacture of other dairy products N.E.C. and production of raw milk from cows or buffaloes
Holstein Selama Dairy 202001026167 (1382487-A)	2 September 2020 (Malaysia)	RM100,002	100.00	Manufacture of other dairy products N.E.C. and production of raw milk from cows or buffaloes
THMC (M) 202101027103 (1427403-T)	18 August 2021 (Malaysia)	RM2	100.00	Production of raw milk from cows and buffaloes
FFM HK 3124759	27 January 2022 (Hong Kong)	HKD1	100.00	Distribution and retail of dairy products
AFS Dairy Company 163 961 920	27 May 2013 (Australia)	AUD100	100.00	Australian Friesian Sahiwal cow breeding development
THMC (Australia) 622 076 715	5 October 2017 (Australia)	AUD15,317,345.50	80.00	Dairy operations
Goulburn Valley Creamery 622 481 823	26 October 2017 (Australia)	AUD100	80.00	Dairy operations
Henry Jones Foods 636 288 474	18 September 2019 (Australia)	AUD100	80.00	Manufacturing of fruit spreads and sauces

Further details of our subsidiaries as at the LPD are set out below:

6.3.1 Information on FFMSB

FFMSB was incorporated in Malaysia under the Companies Act 1965 on 10 October 2007 as a private limited company under the name of Ladang Anglo Nubian Sdn Bhd and is deemed registered under the Act. It changed its name to Farm Fresh Milk Sdn Bhd on 13 August 2015. FFMSB is principally involved in rearing of dairy goats and cows and the production, marketing and sale of goat's and cow's milk. The principal place of business of FFMSB is at No. 11-1, Jalan Petaling, Kawasan Perindustrian Larkin, 80350 Johor Bahru, Johor Darul Takzim.

The issued share capital of FFMSB is RM8,794,984.09 comprising 3,560,039 ordinary shares. Save as disclosed below, there has been no change in the issued share capital of FFMSB for the past three years preceding the LPD:

Date of allotment	No. of ordinary shares	Consideration	Cumulative issued share capital (RM)
2 October 2019	702,894	Otherwise than in cash	8,794,984.09

FFMSB is our wholly-owned subsidiary. As at the LPD, FFMSB does not have any subsidiaries or associates.

6.3.2 Information on Gem Organics

Gem Organics was incorporated in Malaysia under the Companies Act 1965 on 3 May 1999 as a private limited company under the name of Gem Organics (M) Sdn Bhd and is deemed registered under the Act. Gem Organics is principally involved as planters and cultivators. The principal place of business of Gem Organics is at No. 11-1, Jalan Petaling, Kawasan Perindustrian Larkin, 80350 Johor Bahru, Johor Darul Takzim.

The issued share capital of Gem Organics is RM100,000 comprising 100,000 ordinary shares. There has been no change in the issued share capital of Gem Organics for the past three years preceding the LPD.

Gem Organics is our wholly-owned subsidiary. As at the LPD, Gem Organics does not have any subsidiaries or associates.

6.3.3 Information on Holstein Dairy (Desaru)

Holstein Dairy (Desaru) was incorporated in Malaysia under the Companies Act 1965 on 22 May 2015 as a private limited company under the name of Holstein Dairy (Desaru) Sdn Bhd and is deemed registered under the Act. Holstein Dairy (Desaru) is principally involved in those relating to rearing of dairy cows and sale of cow's milk. The principal place of business of Holstein Dairy (Desaru) is at PTD 1721, KM 10, Jalan Sedili Kechil, Mukim Sedili Kechil, 81900 Kota Tinggi, Johor Darul Takzim.

The issued share capital of Holstein Dairy (Desaru) is RM3,000,002 comprising 3,000,002 ordinary shares. Save as disclosed below, there has been no change in the issued share capital of Holstein Dairy (Desaru) for the past three years preceding the LPD:

Date of allotment	No. of ordinary shares	Consideration	Cumulative issued share capital (RM)
31 March 2018	3,000,000	Cash	3,000,002

As at the LPD, we own 99.99% equity interest in Holstein Dairy (Desaru). The remaining shareholders are Loi Tuan Ee and Azmi Bin Zainal, who hold less than 0.01% each. As at the LPD, Holstein Dairy (Desaru) does not have any subsidiaries or associates.

Pursuant to the terms of the JVA, BDSB will subscribe for 33% equity interest in Holstein Dairy (Desaru) to be satisfied by part of the rental under the registered lease for our Desaru Farm. Please refer to Section 14.6.1 of this Prospectus for further details on the JVA.

6.3.4 Information on Serdang Dairy

Serdang Dairy was incorporated in Malaysia under the Act on 2 September 2020 as a private limited company. Serdang Dairy is principally involved in the manufacture of other dairy products N.E.C. and the production of raw milk from cows or buffaloes. The principal place of business of Serdang Dairy is at Ladang 16, Bahagian Ternakan Taman Pertanian Universiti, Universiti Putra Malaysia, 43400 Serdang, Selangor.

The issued share capital of Serdang Dairy is RM100,002 comprising 100,002 ordinary shares. Save as disclosed below, there has been no change in the issued share capital of Serdang Dairy since incorporation up to the LPD:

Date of allotment	No. of ordinary shares	Consideration	Cumulative issued share capital (RM)
23 November 2020	100,000	Cash	100,002

Serdang Dairy is our wholly-owned subsidiary. As at the LPD, Serdang Dairy does not have any subsidiaries or associates.

6.3.5 Information on Holstein Selama Dairy

Holstein Selama Dairy was incorporated in Malaysia under the Act on 2 September 2020 as a private limited company under the name of Holstein Selama Dairy Sdn Bhd. Holstein Selama Dairy is principally involved in the production of raw milk from cows or buffaloes and the manufacture of other dairy products N.E.C. The principal place of business of Holstein Selama Dairy is at No. 11-1, Jalan Petaling, Kawasan Perindustrian Larkin, 80350 Johor Bahru, Johor Darul Takzim.

The issued share capital of Holstein Selama Dairy is RM100,002 comprising 100,002 ordinary shares. Save as disclosed below, there has been no change in the issued share capital of Holstein Selama Dairy since incorporation up to the LPD:

Date of allotment	No. of ordinary shares	Consideration	Cumulative issued share capital (RM)
23 November 2020	100,000	Cash	100,002

Holstein Selama Dairy is our wholly-owned subsidiary. As at the LPD, Holstein Selama Dairy does not have any subsidiaries or associates.

6.3.6 Information on THMC (M)

THMC (M) was incorporated in Malaysia under the Act on 18 August 2021 as a private limited company under the name of The Holstein Milk Company (M) Sdn Bhd. THMC (M) is principally involved in the production of raw milk from cows or buffaloes. The principal place of business of THMC (M) is at No. 11-1, Jalan Petaling, Kawasan Perindustrian Larkin, 80350 Johor Bahru, Johor Darul Takzim.

The issued share capital of THMC (M) is RM2.00 comprising 2 ordinary shares. There has been no change in THMC (M)'s issued share capital since incorporation up to the LPD.

THMC (M) is our wholly-owned subsidiary. As at the LPD, THMC (M) does not have any subsidiaries or associates.

6.3.7 Information on FFM HK

FFM HK was incorporated in Hong Kong under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) on 27 January 2022 as a company limited by shares under the name of Farm Fresh Milk (HK) Limited. FFM HK is principally involved in the distribution and retail of dairy products. The principal place of business of FFM HK is at Unit 1411, 14/F., Lippo Sun Plaza, 28 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong. As at the LPD, FFM HK has not commenced business operations.

The issued share capital of FFM HK is HKD1 comprising 1 ordinary share. There has been no change in the issued share capital of FFM HK since incorporation up to the LPD.

FFM HK is our wholly-owned subsidiary. As at the LPD, FFM HK does not have any subsidiaries or associates.

6.3.8 Information on AFS Dairy Company

AFS Dairy Company was incorporated in Victoria, Australia under the Corporations Act 2001 on 27 May 2013 as a proprietary company limited by shares. AFS Dairy Company is principally involved in Australian Friesian Sahiwal cow breeding development. The principal place of business of AFS Dairy Company is at 85 McCormick Road, Kyabram, Victoria 3620.

As at the LPD, AFS Dairy Company's issued share capital is AUD100 comprising 100 ordinary shares. There has been no change in AFS Dairy Company's issued share capital for the past three years preceding the LPD.

AFS Dairy Company is our wholly-owned subsidiary. As at the LPD, AFS Dairy Company does not have any subsidiaries or associates.

6.3.9 Information on THMC (Australia)

THMC (Australia) was incorporated in Victoria, Australia under the Corporations Act 2001 on 5 October 2017 as a proprietary company limited by shares. THMC (Australia) is principally involved in dairy operations. The principal place of business of THMC (Australia) is at 85 McCormick Road, Kyabram, Victoria 3620.

The issued share capital of THMC (Australia) is AUD15,317,345.50 comprising 14,379,405 ordinary shares. Save as disclosed below, there has been no change in the issued share capital of THMC (Australia) for the past three years preceding the LPD:

Date of allotment	No. of ordinary shares	Consideration	Cumulative issued share capital (AUD)
31 March 2018	4,999,900	Cash	5,000,000
24 August 2020	9,379,405	Cash	15,317,345.50

As at the LPD, we own 80.0% equity interest in THMC (Australia). The remaining shareholder is Dairy Livestock Exports Pty Ltd (20.0%). As at the LPD, THMC (Australia) has two subsidiaries, namely, Goulburn Valley Creamery and Henry Jones Foods.

6.3.10 Information on Goulburn Valley Creamery

Goulburn Valley Creamery was incorporated in Victoria, Australia under the Corporations Act 2001 on 26 October 2017 as a proprietary company limited by shares. Goulburn Valley Creamery is principally involved in dairy operations. The principal place of business of Goulburn Valley Creamery is at 85 McCormick Road, Kyabram, Victoria 3620.

The issued share capital of Goulburn Valley Creamery is AUD100 comprising 100 ordinary shares. There has been no change in the issued share capital of Goulburn Valley Creamery for the past three years preceding the LPD.

Goulburn Valley Creamery is a wholly-owned subsidiary of THMC (Australia), which in turn is our 80.0%-owned subsidiary. As at the LPD, Goulburn Valley Creamery does not have any subsidiaries or associates.

6.3.11 Information on Henry Jones Foods

Henry Jones Foods was incorporated in Victoria, Australia under the Corporations Act 2001 on 18 September 2019 as a proprietary company limited by shares under the name of Kyabram Jam Company Pty Ltd. It changed its name to Henry Jones Foods Pty Ltd on 22 January 2020. Henry Jones Foods is principally involved in manufacturing of fruit spreads and sauces. The principal place of business of Henry Jones Foods is at 85 McCormick Road, Kyabram, Victoria 3620.

The issued share capital of Henry Jones Foods is AUD100 comprising 100 ordinary shares. There has been no change in the issued share capital of Henry Jones Foods since incorporation up to the LPD.

Henry Jones Foods is a wholly-owned subsidiary of THMC (Australia), which in turn is our 80.0%-owned subsidiary. As at the LPD, Henry Jones Foods does not have any subsidiaries or associates.

As at the LPD, neither our Company nor any of our subsidiaries has any outstanding warrants, options, convertible securities or uncalled capital.

None of our Shares and share capital in our subsidiaries were issued and allotted at a discount or have any special terms.

As at the LPD, neither our Company nor our subsidiaries are involved in any bankruptcy, receivership or similar proceedings.

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

(i) public take-over offers by third parties in respect of our Shares; and

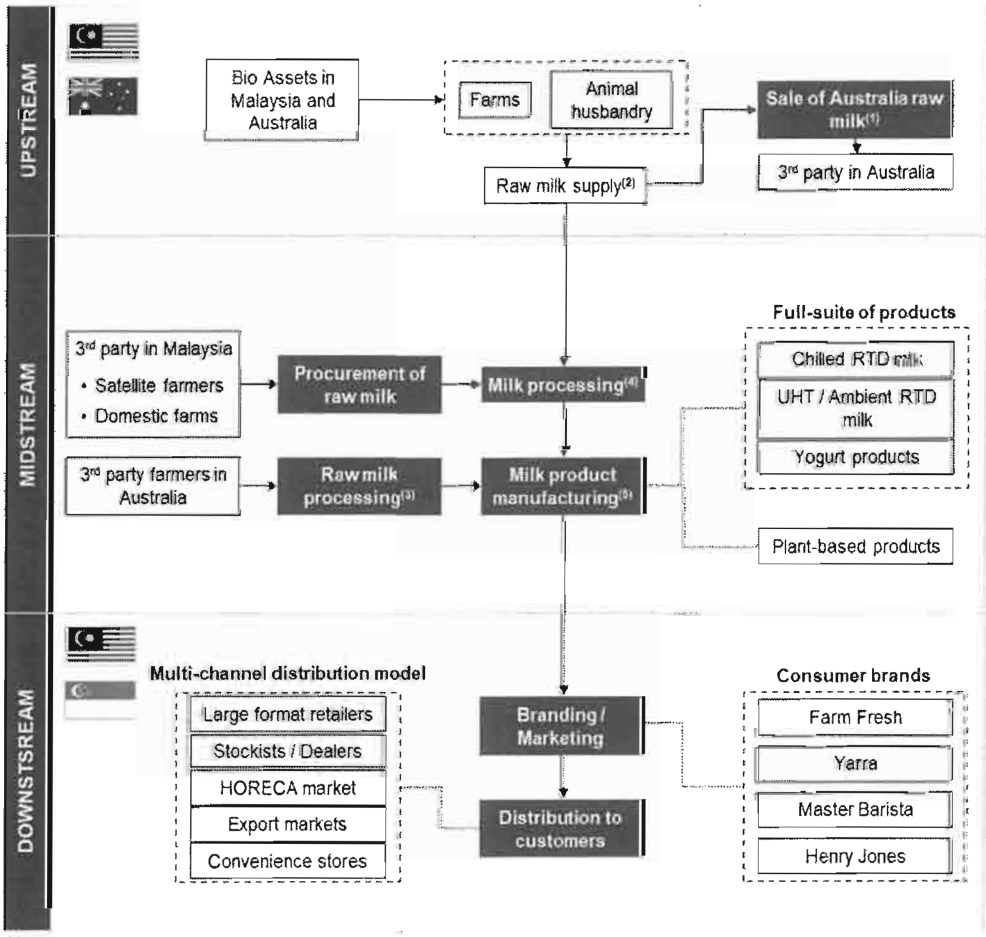
(ii) public take-over offers by our Company in respect of other companies' securities.

7. BUSINESS OVERVIEW

7.1 Overview

We are a fast-growing, vertically integrated dairy group engaged in the business of farming, manufacturing and distributing various dairy products and plant-based products. As at the LPD, we operate five dairy farms in Malaysia and one dairy farm in Australia, across an aggregate of about 5,400 acres of land, with a total herd size of around 9,960 dairy cows and bulls. We also own and operate two processing facilities in Malaysia, with the capacity to produce around 137.0 million litres of finished goods annually, and one processing facility in Australia, with the capacity to produce around 84.0 million litres of processed milk annually.

We have a diverse product portfolio, with 135 SKUs as at the LPD, spanning multiple product segments such as chilled RTD milk products, UHT/ambient RTD products, plant-based products, yoghurt products, and fruit jam and sauces. We distribute our products across our multi-channel distribution network. The following diagram provides an illustration of our Group's main operations, from farming to the processing and distribution of dairy and non-dairy products.



Notes:

(1) Our Group had historically sold the raw milk produced at our Australian farm to third parties but stopped sales of raw milk to third parties at the end of September 2021 (save for instances where we have raw milk in excess of our processed milk requirements).

(2) We also use milk powder in the production of a small proportion of our products, such as private label products and 4 SKUs under the Yarra brand.

(3) Raw milk purchased from third-party farmers in Australia is processed at our Kyabram Facility before being shipped as a raw milk ingredient to our Malaysian farms and processing facilities.

(4) Milk processing generally comprises chilling/cooking, homogenisation, pasteurisation and cooling.

(5) Milk product manufacturing generally comprises filling and packaging into finished products.

According to Frost & Sullivan, our market share in the chilled RTD milk segment in Malaysia has tripled from 12% in 2015 to 36% in 2020. In the same period, our market share in the yoghurt segment in Malaysia increased from 5% in 2015 to 11% in 2020. We entered the ambient RTD milk segment in 2018 and, by 2020, had established an 8% market share in the ambient RTD milk segment in Malaysia. For the nine months ended 30 September 2021, our market share in the chilled RTD milk segment in Malaysia was 42%, our market share for yoghurt was 11% and our market share for ambient milk was 10%.

7.2 Competitive strengths

We believe that we benefit from the following competitive strengths:

7.2.1 One of the largest and fastest growing players in the attractive Malaysian dairy industry

According to Frost & Sullivan, we are Malaysia's largest integrated producer of dairy products made from fresh raw milk. We are a homegrown Malaysian dairy company committed to producing fresh and quality dairy products that cater to consumers' tastes and preferences. We focus on producing nutrient-rich and affordable dairy products made with fresh milk and that are free of preservatives and colouring. We believe that our product quality and proposition has been key in establishing our strong market position and growth track record across our product categories, reflecting the quality of, and strong customer demand for, our fresh milk products.

According to Frost & Sullivan, we are the second-largest player in the RTD milk category (which includes the chilled RTD milk and ambient RTD milk segments) in Malaysia for the first nine months of 2021. We are also among the fastest-growing players in the RTD milk category. From 2015 to 2020, our market share in the RTD milk category in Malaysia increased from 3% to 15%, and to 18% for the nine months ended 30 September 2021. In the chilled RTD milk segment, we are the market leader, with our market share increasing from 12% in 2015 to 36% in 2020 and to 42% for the nine months ended 30 September 2021. Within this segment, Frost & Sullivan estimates that in 2020, 66% of all products in this segment were made using fresh milk, and we are the market leader in the fresh-milk sub-segment with a market share of approximately 54% for 2020. In the ambient RTD milk segment, we have demonstrated strong growth since our entry into this segment in 2018, with a market share of 8% for 2020 and 10% for the nine months ended 30 September 2021. Within the ambient RTD milk segment, Frost & Sullivan estimates that in 2020, 16% of all products in this segment were made using fresh milk, and we are the market leader in the fresh-milk sub-segment with a market share of approximately 48% for 2020.

We are also the third-largest player in the yoghurt category in Malaysia for the first nine months of 2021, according to Frost and Sullivan. In 2020, our market share in the yoghurt category in Malaysia was 11%, an increase from 5% in 2015, and for the nine months ended 30 September 2021, our market share for yoghurt in Malaysia was 11%.

We believe that Malaysia, where the majority of our operations are located, is an attractive market for the dairy industry. The dairy industry in Malaysia is growing and we believe that we are well positioned to benefit from this growth. We believe we stand to benefit from continued support from the government for agricultural activities, including the establishment of dairy valleys in the next five years under the Twelfth Malaysia Plan. On the demand side, Frost & Sullivan expects demand for dairy products to increase as, amongst other reasons, Malaysians are becoming health-conscious and are adopting a more balanced diet, rich in nutrients and proteins. This has accordingly led to a growing interest in fresh and organic F&B products. Growth in population and household income also enable consumers to spend more on F&B products, including dairy products. In addition, the Malaysian government is pushing for the growth of the local dairy industry. See Section 8 of this Prospectus for further details.

Frost & Sullivan expects (i) retail sales of chilled RTD milk to grow at a CAGR of 10.0% from RM533.1 million in 2021 to RM780.6 million in 2025, (ii) retail sales of ambient RTD milk to grow at a CAGR of 8.3% from RM1,530.6 million in 2021 to RM2,103.4 million in 2025, and (iii) retail sales of yoghurt to grow at a CAGR of 6.9% from RM434.8 million in 2021 to RM567.4 million in 2025. Frost & Sullivan further expects the market for RTD milk products made using fresh milk to grow faster than that for products using non-fresh milk, as customers switch to better quality and fresher products. Accordingly, Frost & Sullivan expects retail sales of fresh-milk RTD milk products to grow at a CAGR of between 11% and 14%, from an estimated 29% share of total retail sales of RTD milk in 2020 to between 35% and 39% of total retail sales of RTD milk by 2025.

In addition, in 2020, the supply of domestically produced fresh milk is not sufficient to meet the increasing demand in Malaysia. This provides significant growth opportunities for companies that are able to produce and process fresh milk in Malaysia to meet the increasing demand in Malaysia. In that vein, we have made and intend to continue to make significant investments to expand our upstream and midstream capacity and improve our operational efficiency. See Section 7.3.1 of this Prospectus for details.

7.2.2 Attractive and diversified portfolio of proprietary brands built on a fresh milk proposition and supported by culture of innovation

Our brands are well-established names with broad recognition among local consumers. We own all of our product brands across four core dairy product categories, namely chilled RTD milk products, UHT/ambient RTD milk products, yoghurt products, and plant-based RTD milk products. According to Frost & Sullivan, we have the widest portfolio of locally manufactured dairy products (including plant-based RTD milk products) amongst Malaysian integrated dairy companies as at January 2022. As at the LPD, we offer 135 SKUs, all of which are produced in-house, across the above four major product categories, marketed under widely recognised brands such as Farm Fresh, Master Barista, Henry Jones, Yarra Farm, and Nubian Goat's Milk.

By virtue of owning all our brands, we are not bound by restrictions like limits on product offerings or geographical expansion as compared to some of our competitors that are licensed manufacturers or distribute third-party dairy brands in Malaysia. This presents us with the opportunity and flexibility to take more responsive decisions with respect to our business, product offerings and distribution channels across Malaysia and overseas markets.

We believe the strength of our brands is underpinned by our commitment to deliver fresh-milk-based products that are processed without preservatives, artificial colourings or foreign substances to ensure a differentiated taste in our products. According to Frost & Sullivan, we are the only integrated dairy company of scale in Malaysia that produces (i) chilled RTD milk, (ii) ambient RTD milk, (iii) edible yoghurt, and (iv) drinking yoghurt without using reconstituted /recombined milk or milk powder sources for our own Farm-Fresh branded products.

Our large portfolio of products across several categories enables us to capture a wide addressable market. Over the last few years, we have introduced a variety of products catering to different preferences (product shelf life, low fat milk, full cream milk, flavoured milk), dietary restrictions (vegan and lactose-intolerant) and functional requirements (kurma milk, tongkat ali and organic milk). In addition, we have introduced various flavoured RTD milk products that cater to localised tastes, which have enabled us to penetrate the local market further. We are also able to offer products in various packaging formats and different price points to appeal to a wide demographic and retain customers as they "trade-up" in their product choices with their growing income.

We believe that our strong research and development capabilities, and deep understanding of consumer preferences have helped us to continuously innovate, expand our product offering, and launch new products to market. Our product portfolio expands as we constantly innovate to be the first to bring new products to the market or to cater to consumer preferences. We were the first to introduce the following products in Malaysia:

- *Kurma (palm dates) RTD milk*: This was first introduced by us in Malaysia in 2016 and has proven to be one of our most successful products. In 2020, this product was recognised as a winner for being a standout innovation that achieved critical success by NielsenIQ as part of BASES Top Breakthrough Innovations;

- *Lactose-free RTD milk*: This was first introduced by us in Malaysia in 2018. Frost & Sullivan expects demand for plant-based RTD milk to be driven by the large lactose intolerant population in Malaysia. We believe that we are well positioned to benefit from this trend given our recognition of the niche lactose-free market back in 2018 and the introduction of our lactose-free RTD milk products since.

- *A2 Organic milk*: This was first introduced by us in Malaysia in March 2021 under the Henry Jones brand. Certified organic by the National Association for Sustainable Agriculture Australia (NASAA), our organic milk caters to customers who value organic milk in addition to milk containing only A2 beta-casein protein, which for certain group of individuals, will result in fewer gastrointestinal symptoms (such as bloating, gas and abdominal pain) and is easier to digest compared to regular milk.

- *Oat and Almond milk*: We introduced these two plant-based beverages in September 2020 to capture the trend of increasing consumers who are leaning towards healthy plant-based beverages due to their vegan diet, lactose intolerance or those who want an alternative to dairy milk. In addition, our oat milk is a natural source of beta glucan which is beneficial to reduce cholesterol and risk of heart disease. Our oat milk also has high fibre and complex, slow-digesting carbohydrates resulting in a slow release of sugar into the blood after a meal, and thereby provides a sustained supply of energy to the body. Our almond milk is a good source of antioxidants and good fats which support skin health.

- *Banana flavoured milk*: This was first introduced by us in August 2021. Our banana flavoured milk is made from real banana puree, as compared to the usage of artificial flavouring by other local players in Malaysia. As we use real banana puree, our banana flavoured milk is a dietary source of potassium, which naturally lowers blood pressure, and contains the amino acid tryptophan, which regulates serotonin levels and acts as a mood and energy booster.

Our product innovation also extends to our packaging, such as more convenient packaging and a larger variety of packaging sizes for our products. This has contributed to higher consumption of our products, with consumers being able to purchase our products based on their lifestyle, needs, affordability and consumption habits. As a consumer-focused, insights-driven company, we continually strive to understand the lifestyles and preferences of both today's and tomorrow's consumers in order to create and develop more occasions for drinking dairy and ultimately attracting more consumers towards our products. In addition, our focus on innovation allows us to respond to changing consumer tastes and preferences by developing new products which enjoy higher margins.

Our success in building the Farm Fresh brand based on our fresh milk proposition and culture of innovation has culminated in us receiving two awards at the Putra Brand Awards, namely the Platinum Award in the Beverage – Dairy category and the Putra Most Enterprising Brand of the Year. The Putra Brand Awards is an annual premier brand awards event in Malaysia endorsed by the Malaysia External Trade Development Corporation. Winners are determined using a robust consumer research methodology in which 11,000 consumers vote for their favourite brands within multiple categories, thereby establishing Malaysian consumers themselves as the judges and award-givers of this distinguished event. This gives great significance to us attaining top spot in the Beverage – Dairy category, besting other established players including multinational brands which have been in the market for decades longer than us. The Putra Most Enterprising Brand of the Year award also signifies the recognition given to us in demonstrating continuous brand building commitment via communication and product innovation.

7.2.3 Vertically integrated "grass-to-glass" model providing operational benefits

According to Frost & Sullivan, we are Malaysia's largest integrated producer of dairy products made from fresh raw milk. We operate on a "grass-to-glass" model and have a presence across upstream, midstream and downstream segments of the dairy industry.

Our upstream segment currently includes five operating dairy farms in Malaysia and one operating dairy farm in Australia encompassing an aggregate of approximately 5,400 acres of land, with a herd size of approximately 9,960 milking cows, non-milking cows and bulls, as at the LPD.

In the midstream segment, we currently own and operate two dairy processing facilities in Malaysia and one in Australia. In Malaysia, these facilities are located in Larkin, Johor and Muadzam Shah, Pahang, and our Australian facility is located in Kyabram, Victoria, Australia. Based on our production capacity as at the LPD, we are able to produce approximately 137.0 million litres of finished dairy products and 84.0 million litres of processed milk annually.

In the downstream segment, in addition to selling through modern trade channels such as supermarkets, hypermarkets, convenience stores and petrol kiosks, we have developed and manage a growing stockist and home dealer network.

We sell our products directly to various stockists that are exclusive to us, who then on-sell these products to home dealers under our "home dealer programme", which is a distribution channel we believe to be unique to us. See Section 7.2.5 of this Prospectus for more details.

Our vertically integrated dairy farming and milk production provides us with a number of key strategic and financial advantages, including the following:

- ability to deliver on the fresh milk proposition through our presence across the value chain, enabling us to differentiate ourselves and capture significant share of the fast-growing chilled and UHT/ambient fresh RTD milk category;
- access to a supply of high-yielding breed of dairy cows, which reduces importation costs and improves cost-efficiency of our supply chain;
- ability to ensure traceability, product quality and consistency to better meet consumers' health and safety requirements through our expertise and standardisation of our farming and processing operations;
- economies of scale that result in operational efficiency and reduce per unit cost of production, thereby driving our competitiveness and profitability;
- optimising utilisation of our production capacity through our diversified product mix;
- access to consumer insights through our stockist network, which helps us with product formulation and pricing strategy while minimising advertising and promotion expenses; and
- a cost-effective and highly scalable model for continued growth when we expand our business within existing markets or into new markets.

We also benefit from having operations in different locations, enabling us to forge an efficient go-to-market strategy and diversifying our risks from adverse events such as natural disasters and disease outbreaks in a particular location.

7.2.4 Strong competitive advantage through gene bank ownership and notable farm management and animal husbandry practices

As at December 2021, we own one of the largest remaining gene banks of the original AFS cattle globally, according to Frost & Sullivan. We have the largest herd of AFS breed cattle among vertically integrated dairy players in Malaysia. The AFS breed combines the genotypes of temperate Holstein and tropical Sahiwal breeds, resulting in one of the most resilient and economically viable tropical cattle breeds globally. AFS cattle are also proven to have high resistance to heat, ticks and blood parasites, good tolerance to humidity and benefit from robust fertility rate.

As part of our efforts to strengthen our gene bank and breeding capabilities, we acquired Petabern Dairies in 2017, which granted us access to top quality pure-bred Australian Holstein genetics. According to Frost & Sullivan, the Holstein dairy cattle is generally believed to be among the highest yielding dairy breed globally.

We have adopted a systematic breeding process focused on improving the genetic features of our herd.

The measures of this process include (i) formulating and adapting breeding plans for our herd taking into consideration factors such as breed, attributes, historical breeding record, historical milk yields, (ii) adopting artificial insemination procedures, and (iii) employing sex-sorted frozen semen to increase the proportion of female calves born. We believe that our access to the AFS cattle gene bank and pure-bred Australian Holstein genetics gives us a competitive advantage, as we are able to optimise the genetic mix of our dairy cows via IVF to develop the best tropical dairy cow breed. We have a dedicated IVF unit based in Malaysia which is focused on carrying out necessary breeding processes as well as research and development to achieve this.

In addition, we place great emphasis on our farm management and animal husbandry practices across our farming operations through various measures including the following:

- *Feed*: We employ a total mixed ration feeding regime to ensure that our entire herd receives a ration that is well balanced both chemically and nutritionally. We develop different in-house feeds formula taking into consideration the different nutritional needs of the cows at different breeding cycles. In Australia, we also allow our cows to graze on the grass due to temperate weather which is beneficial in terms of reducing overall feed cost and herd health.

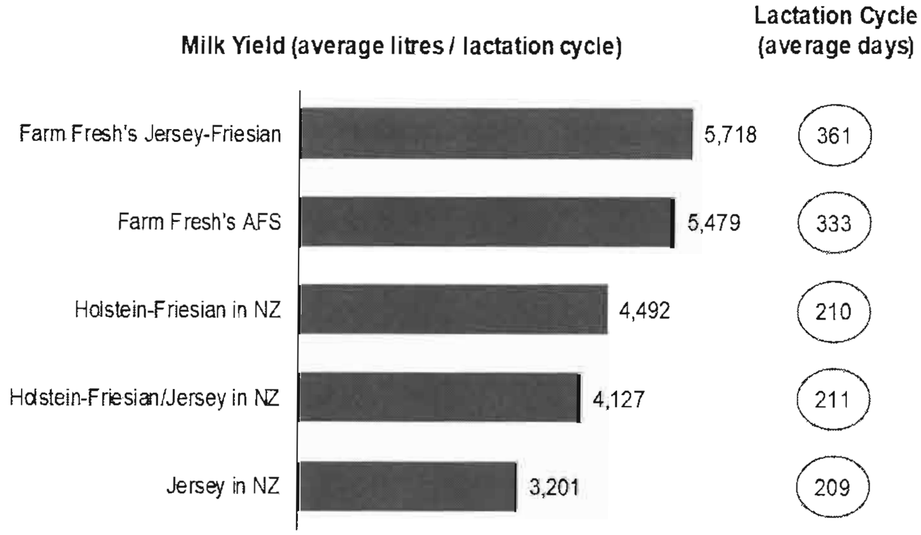
- *Farm Management*: We focus on the well-being and comfort of our dairy cows and have introduced various initiatives and features across our barns with the strategic objective of increasing raw milk output, yield, longevity and overall well-being of our herd in a sustainable manner. Our dairy farms have purpose-built barns with easy access to food and water, as well as clean and comfortable dry sand bedded areas that allow our dairy cows to eat, drink and relax freely.

- *Biosecurity*: We take the health of our herd seriously and have established strict herd biosecurity measures across our farms. We have a qualified team comprising veterinarians as well as animal science and husbandry graduates who have primary care over the health of our herd. Regular vaccinations are also administered on our herd.

- *Milking*: To maintain a high milk yield during the cow's lactation period, we keep a consistent milking interval of two milking sessions a day. Each milking session typically lasts four to six hours and we milk our dairy cows primarily using imported milking systems.

In June 2021, all our completed Malaysian farms were certified by the Humane Farm Animal Care ("**HFAC**"), an international non-profit certification programme aimed at improving the lives of farm animals. We are the first player in Asia to receive this certification. We intend to obtain similar certifications for our Taiping Farm upon its completion, and for our farms in Australia once the COVID-19 pandemic situation improves and cross-border restrictions are lifted. See Section 7.5 of this Prospectus for further details.

We believe that our notable animal husbandry practices coupled with the strength of our AFS breed and Jersey-Friesian crossbreed cattle have led to our success in generating high yields and high-quality milk from our dairy cows, despite the tropical environment in Malaysia.



In addition, the pure Holstein breed at our farms in Australia offers approximately 10,000 litres of milk per lactation cycle (with an average lactation length of 305 days) compared with the average of 7,500 litres of milk per lactation cycle recorded in Australia by the Holstein breed.

We have also consistently obtained a total plate count of below 100,000 CFU/ml for the raw milk we produce, a value comparable to the limit of 100,000 CFU/ml imposed by the European Union, which has among the world's highest industrial standards for milk and other dairies, according to Frost & Sullivan. Consuming raw milk which has a TPC above the acceptable limit of 1,000,000 CFU/ml can cause, among other symptoms, acute diarrhoea and haemolytic uremic syndrome.

7.2.5 Extensive market penetration through multi-channel distribution network

Our multi-channel distribution network covers all the states and key cities in Malaysia, allowing us to deliver our products to a broad range of customers in Malaysia. We sell our products in Malaysia through an extensive distribution network that facilitates the sales of different products to different customer markets, and comprises mainly large format retailers, stockists and home dealers, HORECA, convenience stores and distributors. Our products are also sold in markets outside of Malaysia, including Australia, Singapore and Brunei. For Singapore, we sell our chilled products through an exclusive distributor and our UHT products through a stockist and a distributor.

We also distribute our products through a network of stockists, home dealers and agents. We sell our products to our stockists, who then on-sell these products to home dealers under our "home dealers programme". As at the LPD, we have 45 stockists, spanning all the states in Malaysia, managing 906 home dealers who in turn manage 1,772 agents of theirs selling our products. In addition, as at the LPD, we also sell our products to 22 distributor agents who then on-sell our products to the various HORECA outlets. See Section 7.7.1 of this Prospectus for more details. According to Frost & Sullivan, we have the largest home dealer network that is exclusive to us amongst vertically integrated dairy companies in Malaysia.

We believe that our home dealer network provides us with additional routes to market, allowing us to achieve greater penetration of our products in the rural or more remote areas in Malaysia which may not be accessible via our other distribution channels. In addition, through the "word-of-mouth" marketing network of our stockists and dealers, we are able to promote new products to the mass market while managing advertising and promotion expenses, thereby maximising our margins. Furthermore, this channel provides us with direct access to intelligence about pricing, market demand, consumer preferences and merchandising, specific to particular regions and locations. In 2020, we invested in a new online sales platform supported by immediate sales activation and efficient fulfilment through our existing network of stockists and dealers. The platform also helps to connect our stockists and dealers with customers within the same vicinity in a convenient manner.

Our stockists and home dealers network represents our fastest growing distribution channel, with a revenue CAGR of 117.7% from FYE 31 March 2019 to FYE 31 March 2021 and a growth of 0.2% from FPE 30 September 2020 to FPE 30 September 2021. Our stockists and home dealers network contributed 34.5% of our revenue in FYE 31 March 2021 and 30.5% of our revenue in FPE 30 September 2021.

Our home dealers programme has encouraged the creation of a micro-entrepreneurial network. As at the LPD, more than 80% of the home dealers in our home dealer network are women entrepreneurs. We believe our home dealers programme has positively impacted the community by creating job and income opportunities in both urban and rural areas. As a testament of the social benefits that we have provided through the home dealers programme, we were nominated by SME Corporation Malaysia and received the ASEAN Inclusive Business Award in 2020.

We also have long-term and stable relationships with our key customers across various distribution channels, allowing our products to be well distributed across Malaysia. As at the LPD, we sell our products to 15 large format retailers and our products are carried at more than 630 locations where such retailers have a presence. Most of our sales to HORECA outlets are made through distributor agents who then on-sell our products to the various HORECA outlets. As at the LPD, we sell our products to three hotel chains, seven café chains and 22 distributor agents. We also sell our products to other modern trade outlets such as convenience store chains, a mini market chain, and petrol kiosk convenience stores in Malaysia. As at LPD, our products are available at 99 Speedmart, a mini market chain in Malaysia, four major convenience store chains, namely 7-Eleven Malaysia, FamilyMart, myNEWS, and KK Mart, and the stores of five petrol companies, namely BHP PetroMart, Caltex, Mesra, Petron, and Shell Select, and our products are carried at more than 7,290 locations where such retailers have a presence. This includes the full addition of more than 2,000 99 Speedmart locations in Malaysia in December 2021.

We believe that we have a strong distribution network across Malaysia with long-standing and sustainable relationships with our key distribution partners through mutually beneficial arrangements. Our market penetration through diverse retail channels brings us closer to our customers and helps us stay informed about consumer preferences, trends and current developments in the regional dairy industry. In addition to ensuring breadth and depth of penetration, our multi-channel distribution model allows us to minimise concentration risk on any one channel.

7.2.6 Strong and experienced management team with significant emphasis on ESG initiatives

Our founder-led key senior management team led by Mr Loi Tuan Ee, En Azmi Bin Zainal and Mr Loi Tuan Kin, have in aggregate over 33 years of experience in the dairy industry. Leveraging on their expertise in and understanding of the dairy industry as well as the local demographic, we have been able to successfully stay ahead of shifts and developments in the business, economic and political environments in our key markets and the industry. Our management team has successfully steered the company through the economic impact and supply chain disruptions caused by COVID-19, demonstrating significant strength and resilience.

The track record of our key senior management's competencies are further evidenced through the following:

- *organic growth*: Our key senior management team has led us to successfully build a strong brand that connects with consumers and meets their growing demand for quality products made from fresh milk. In addition, our operational excellence in, amongst other things, upstream raw milk output and milk yield, product innovation and commercialisation as well as management of our multi-channel distribution network is a testament to the strong executional abilities of our key senior management; and

- *inorganic growth*: We have completed several acquisitions under the direction of the key senior management team and we have successfully integrated these into our operations. These include the acquisitions of AFS Dairy Company and Petabern Dairies, which have strengthened our breeding capabilities by granting us access to the resilient AFS breed and top quality pure-bred Australian Holstein genetics.

Our key senior management team has deep experience and strengths in, amongst other things, financial management, livestock management, farm management, animal husbandry, and possess strong relationships with an extensive network of farmers. Owing to these strengths, we have been able to achieve growth in our business. See Section 9.3.1 of this Prospectus for more details on our management team.

We believe that the knowledge and business acumen of our senior management will continue to allow us to capitalise on market opportunities and formulate business strategies to create shareholder value. In addition, our management team places significant importance on sustainable, socio-economic development and environmental goals. Our sustainability efforts are anchored around three focus areas, namely quality dairy, stronger communities and healthier planet. We are focused on building strategies that would create value and drive impact in the long term to our stakeholders, including customers, employees, government and regulators, investors and local communities. See Section 7.15 of this Prospectus for more details on our sustainability efforts.

7.3 Future plans and strategies

Our principal goal is to further strengthen our position as one of the leading Malaysian dairy players and expand our market share outside Malaysia. We continuously seek opportunities to achieve sustainable growth of our business and to enhance shareholders' value. We intend to achieve this goal by implementing the following strategies:

7.3.1 Expand our capabilities across the value chain in Malaysia

Malaysia will continue to be our key market, and we will endeavour to sustain and enlarge our market position by expanding our upstream capacity while improving operational efficiency and deepening our distribution network.

Within our upstream business, we plan to leverage on our gene bank ownership and notable farm management and animal husbandry practices to scale our farm area, herd size and milk production to capitalise on Malaysia's increasing domestic demand for dairy products. We are constantly evaluating opportunities for expansion in both Peninsular Malaysia and East Malaysia. We plan to complete the construction of a new 828 acre farm in Taiping, Perak with a capacity to house a dairy herd of up to 3,100 upon full completion. This will be funded using our internally generated funds and borrowings.

In the midstream segment, we have plans to expand our production capacity for finished products over the next three years. In Malaysia, we intend to install one additional filling and packaging line at our Muadzam Shah Facility in April 2022. As at the LPD, we have installed one additional filling and packaging line for RTD chilled milk at our Larkin Facility in April 2021 and one additional UHT filling and packaging line at our Muadzam Shah Facility in August 2021. We also intend to set up two new processing facilities at our UPM Farm and Taiping Farm, which we expect to commence operations by March 2022 and June 2022, respectively. The cost of the additional lines as well as the new processing facilities will be funded using a combination of internally generated funds and borrowings.

In the longer term, we intend to establish a new manufacturing hub in the Central Region of Peninsular Malaysia, which will increase our existing production capacity for dairy and plant-based products. The manufacturing hub will also serve as a base for the development of new product offerings in Malaysia, including ice cream. We aim to complete the setting up of the manufacturing hub around 24 months from our Listing, taking into account the time required for the receipt of relevant planning approvals, construction and building fit-out, as well as equipment and machinery installation. We intend to fund the cost of the new manufacturing hub entirely using the proceeds of the Public Issue. In the event the allocated proceeds are insufficient for the establishment of the new manufacturing hub, we intend to fund any shortfall through internally generated funds. See Section 4.6 of this Prospectus for more details.

We also have plans to establish a new dairy farm and integrated processing facility in East Malaysia, which we intend to complete by the first quarter of 2024. We intend to fund the cost of the new dairy farm and integrated processing facility with the proceeds of the Public Issue. In the event the allocated proceeds are insufficient for the establishment of a new dairy farm and integrated processing facility, we intend to fund any shortfall through internally generated funds and/or external financing. See Section 4.6 of this Prospectus for more details.

As a result of the expansion plans as described above, we expect our production capacity in Malaysia for the manufacturing of finished RTD products to increase by 46.8% from 137.0 million litres as at the LPD to 201.1 million litres, as shown below:

Production facility	Annual production capacity as at the LPD	Estimated additional annual production capacity: Expansion of existing facility	Estimated additional annual production capacity: Establishment of new facility	Total estimated annual production capacity	Total capital expenditure incurred as of 30 November 2021	Total estimated capital expenditure in FYE 31 March 2022	Total estimated capital expenditure in FYE 31 March 2023
	('000 litres)	('000 litres)	('000 litres)	('000 litres)	(RM'000)[1]	(RM'000)[2]	(RM'000)[2]
Finished products							
Muadzam Shah Facility	74,230[3]	5,670[5]	-	79,900	12,163	12,500	20,000
Larkin Facility	62,760[4]	-	-	62,760	3,348	3,500	-
UPM Facility	-	-	3,293[6]	3,293	433	500	-
Taiping Facility	-	-	20,790[7]	20,790	184	1,000	12,000
New manufacturing hub	-	-	13,608[8]	13,608	-	-	45,000
New integrated processing facility	-	-	20,790[9]	20,790	-	-	10,000
	136,990	**5,670**	**58,481**	**201,141**	**16,128**	**17,500**	**87,000**

Notes:

(1) Reflects the capital expenditure incurred as of 30 November 2021 for the expansion of existing facility or the establishment of new facility.

(2) Reflects the total estimated capital expenditure for the expansion of existing facility or the establishment of new facility.

(3) Being the one additional filling and packaging line for UHT/ambient products at our Muadzam Shah Facility commissioned in August 2021.

(4) Being the one additional filling and packaging line for RTD chilled milk at our Larkin Facility commissioned in April 2021.

(5) Being the one additional filling and packaging line for RTD products at our Muadzam Shah Facility, which we expect to be commissioned in April 2022.

(6) Being the new processing facility at our UPM Farm with two lines for RTD chilled products under construction and expected to be commissioned by March 2022.

(7) Being the new processing facility at our Taiping Farm with two lines for pressurised fresh milk under construction and expected to be commissioned by June 2022.

(8) Being the new manufacturing hub which we plan to establish within 24 months from our Listing.

(9) Being the new farm with integrated processing facility which we plan to establish by the first quarter of 2024.

In addition, we intend to embark on the production of ice cream with the following estimated production capacity:

Production facility	Annual production capacity as at the LPD	Establishment of new facility	Expected annual production capacity
	('000 kg)	('000 kg)	('000 kg)
Ice cream			
New manufacturing hub	-	2,343	2,343

We intend to leverage on our proven home dealer programme and operational platform to continue to scale our stockist and home dealer network, capitalising on the underpenetrated areas in Malaysia. We have identified pockets of areas within Malaysia that are not yet served by any stockists and would like to further expand into by actively hiring and building out our stockist and home dealer network in these areas.

We also plan to expand and capitalise on existing distribution channels in Malaysia by growing our distribution footprint, including deepening our penetration in the convenience store and petrol kiosk format. We have also identified a number of large convenience store chains with nationwide store footprint to carry our products.

7.3.2 Continue to develop and grow our product portfolio

We are also well-placed to leverage on the current market recognition of our brands, our strength in product development, distribution network and product quality to enhance our product offering. We will continue to leverage on our strong research and development capabilities and knowledge of local preferences and consumer insights to innovate and expand our product portfolio through the addition of new product categories.

According to Frost & Sullivan, the powdered milk category in Malaysia has a market size of RM2.3 billion in 2020. We believe this is a fast-growing segment and we intend to launch growing up milk for kids aged from three to 12 years old, based on a fortified fresh milk formula, which will compete with both powder-based kids milk and RTD reconstituted milk-based products. We are currently formulating a product without any preservative, artificial flavouring and colouring. We believe this will resonate with the expectations of parents to provide their growing children the high amount of essential nutrients in a healthier and convenient package. We plan to launch this product by the first quarter of 2022 and sell the product through our stockists.

The schools in Malaysia represent an attractive market for us. While deepening our penetration, expansion into the school and canteen market via our home dealer network also allows us to improve brand recognition and instil brand loyalty within the student population in Malaysia. To target this market, we plan to introduce a 125 ml packaging variant and have obtained a licence with the licensing arm of an American multinational mass media and entertainment conglomerate corporation to launch a new packaging design with the characters based on American superhero comic books in the first half of 2022.

We plan to grow our Yarra Farm product portfolio to continue to capture a larger market share of UHT/ambient RTD milk segment and launch our Yarra by Farm Fresh range of products. This includes white milk, chocolate milk and strawberry milk at a lower price point than our Farm Fresh UHT product range, and utilises full cream milk powder as its main ingredient instead of fresh milk.

We will continue to explore expansion into other product categories such as non-dairy packaged food and beverage products, where we can leverage on our brand as well as manufacturing and distribution capabilities. We plan to expand into plant-based yoghurt products in the second half of 2022. This will serve as a natural extension of our plant-based line targeting consumers who are lactose intolerant or with dietary restrictions.

7.3.3 Regional expansion outside of Malaysia

We plan to increase our production capabilities in Australia through the expansion of our Kyabram Facility. As at the LPD, our existing Kyabram Facility is principally used for the processing of raw milk for use in our Malaysian midstream operations to produce finished UHT/ambient products for sale in Malaysia and Singapore. To a lesser extent, raw milk processed at our Kyabram facility is sold externally to customers in the Asia Pacific region. The Phase 2 Expansion of our Kyabram Facility will allow our Group to begin manufacturing UHT/ambient products at our Kyabram Facility to serve as an export hub to the Asia-Pacific region. For this purpose, we plan to purchase and install three additional filling and packaging lines to produce UHT/ambient milk products at our Kyabram Facility. We expect to begin (after receipt of all relevant approvals for the construction) the Phase 2 Expansion in the first half of 2022 and commence production of UHT/ambient products at our Kyabram Facility in the second quarter of 2023. We intend to use RM60.0 million or about 19.9% of the gross proceeds from the Public Issue to fund the Phase 2 Expansion within 18 months from the date of our Listing. See Section 4 of this Prospectus for more details.

In addition, we intend to leverage on the reputation of Australia's dairy products and utilise our Kyabram Facility as a base for exports to serve the growing demand in Malaysia and Singapore while also expanding into new markets within the Asia-Pacific region, such as Indonesia and the Philippines. Frost & Sullivan expects the RTD milk segment in Indonesia and the Philippines to grow at a CAGR of 9.3% and 6.5%, respectively, from 2020 to 2025.

We believe Indonesia is an attractive market for us, not just in terms of size and growth, but also on account of cultural similarities with Malaysia and the high demand for halal products. We are in the process of securing regulatory approvals including FDA approval which has been obtained for four of our products and will subsequently start exporting our products into Indonesia. Given the large addressable market, we will also explore establishment of processing facilities as well as a distribution network to replicate our success in Malaysia. We are likewise exploring new production and distribution capabilities in the Philippines where we believe there is also consumer demand for our products. We intend to use RM20.0 million or about 6.6% of the gross proceeds from the Public Issue in Indonesia and the Philippines, each, to establish new production and distribution capabilities. While the production facility is in construction, we will export UHT/ambient products from Malaysia to these warehouses in Indonesia and the Philippines, after which the products will be distributed by local third party distributors. Following the commencement of our processing facilities in Indonesia and the Philippines, we will increase our presence in these countries by importing frozen milk from our Kyabram Facility to be used as raw materials to manufacture our products locally. We expect the completion of the new processing facilities in Indonesia and the Philippines to each increase our total annual production capacity by about 20.8 million litres of finished products. See Section 4 of this Prospectus for more details.

As at the LPD, we are also attempting to apply our distribution capability and sales channel expansion capability in the Hong Kong market, where we are seeking opportunities to distribute, sell and merchandise our products. In January 2022, we incorporated FFM HK in order to facilitate the importation, marketing and FDA approval of certain of our dairy products and plant-based products from Malaysia. We aim to use FFM HK to replicate the success we have achieved from the sales and distribution of our products in Singapore.

7.4 Our key milestones

The following table highlights our key milestones:

Year	Key milestone
2009	Commenced our dairy farming operations involving the rearing of goats and sale of goat milk.
2011	Malaysian sovereign wealth fund Khazanah invested in The Holstein Milk Company Sdn Bhd (now known as Farm Fresh Berhad) via its wholly-owned vehicle, Agrifood Resources, acquiring about a 30% stake in the Company.
2012	Commenced processing operations at our Larkin Facility.
	Launched our first flavoured milk product, namely our Farm Fresh chocolate milk product.
	Launched our Farm Fresh colouring-free yoghurt.
2014	Commenced dairy farming activities at our Muadzam Shah Farm.
	Appointed "Anchor Company" for Muadzam Shah Cattle Research and Innovation Centre in Pahang.
2015	Entered into an agreement for the acquisition of AFS Dairy Company, granting the Company ownership of one of the largest remaining gene banks of the AFS dairy breed to further increase our supply of the AFS dairy breed. The acquisition was completed in 2017.
	Awarded "Best Dairy Farm" by Asia Livestock.
2016	Commenced distribution of our products in Singapore.
	Launched kurma (palm dates) RTD milk using pure kurma extract, becoming the first local player in Malaysia to do so.
2017	Our Desaru Farm became fully operational, providing additional fresh milk supply to our Group's processing facilities.
	Acquired Petabern Dairies, granting us access to Australian Holstein's pure-bred herd and resulting in the establishment of our first dairy farm in Australia, our Greater Shepparton Farm 1.
	Achieved the Good Agricultural Practices Certification accreditation from the DVS for our Muadzam Shah Farm.
2018	Launched our lactose-free milk, becoming the first local player in Malaysia to do so.
	Entered into an agreement, through THMC (Australia), to acquire our Greater Shepparton Farm 2, which is an additional dairy farm located adjacent to the Greater Shepparton Farm 1 in Australia to serve as additional landbank allowing further herd expansion.
	Commenced processing and manufacturing activities at our Muadzam Shah Farm.
	Launched our fresh milk-based UHT milk.

Year	Key milestone
2019	Entered into an agreement, through THMC (Australia), to acquire the Greater Shepparton Farm 3, which is an additional dairy farm located within the same vicinity as Greater Shepparton Farm 1 and Farm 2 in Australia to serve as additional landbank allowing further herd expansion and AFS breeding.
	Completed the acquisition of our Kyabram Facility through THMC (Australia), enhancing our capacity to process fresh milk in Australia and reducing our reliance on third parties for processed milk.
2020	Received the ASEAN Inclusive Business Award.
	Launched our oat milk, almond milk and chocolate soy milk products.
2021	Commenced farm operations at our Taiping Farm.
	Established our UPM Facility which we expect to commence operations in March 2022.
	Received the Certified Humane® farming accreditation from HFAC.
	Achieved the Good Agricultural Practices Certification accreditation from the DVS for our UPM Farm.
	Received the Asia Corporate Excellence & Sustainability Awards 2021 (ACES) as one of Asia's Best Performing Companies in November 2021.
2022	Received two awards at the Putra Brand Awards: Platinum Award in the Beverage – Dairy category and Putra Most Enterprising Brand of the Year in January 2022.
	As at LPD, we have 135 SKUs, including our newly launched A2 organic milk and banana milk.

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7.5 Our business

We are a fast-growing vertically integrated dairy group engaged in the business of farming, manufacturing and distributing various dairy and plant-based products. Our market share in the chilled RTD milk segment has tripled from 12% in 2015 to 36% in 2020. In the same period, we have more than doubled our market share in the yoghurt segment, from a 5% market share in 2015 to 11% in 2020. We entered the ambient RTD milk segment in 2018 and by 2020 we established an 8% market share, demonstrating significantly higher growth than the market. Our "grass-to-glass" business model covers all major stages of the dairy production process from farming to the processing of dairy and non-dairy products and distribution.

As at the LPD, we operate six dairy farms with a total dairy herd size of approximately 8,633 dairy cows and the capacity of housing a maximum number of 9,650 dairy cows. Our dairy farms are located in Malaysia and Australia with an aggregate gross land area of approximately 5,400 acres as at the LPD.

We also operate two processing facilities in Malaysia and one in Australia, which house in total 18 production lines. Based on our production capacity as at the LPD, we are able to produce approximately 137.0 million litres of finished dairy products and 84.0 million litres of processed milk annually.

By leveraging on our management expertise, we have been able to standardise our operating processes, including animal husbandry, breeding, feed management and designing comfortable living environments for our dairy cows. This has enabled us to consistently produce quality milk with safety standards based on the total plate count test that are comparable to the EU, which is among the world's highest industrial standards for milk and other dairies, and to sell our milk at appropriate prices.

We obtain the fresh milk used to produce our liquid milk products both from our own herd as well as from external third-party sources, and we are committed to delivering fresh milk-based products that are processed with no preservatives, artificial colours or foreign substances. We also use milk powder and other non-raw-milk materials in the production of a small proportion of our products, such as private label products and selected Yarra branded products. As at the LPD, our diverse product portfolio comprises well-recognised brands spanning multiple product segments, such as chilled RTD milk products, UHT/ambient products, plant-based products, yoghurt products and fruit jam, which are distributed across our multi-channel distribution network. Our chilled RTD milk, UHT/ambient products, yoghurt products, plant-based products, and fruit jam and sauces contributed 45.7%, 30.7%, 10.0%, 2.4% and 5.7% of our revenue in FYE 31 March 2021, respectively, and 48.3%, 27.8%, 9.0%, 2.0% and 6.1% of our revenue in FPE 30 September 2021, respectively. See Section 12.2.5(i) of this Prospectus for more details.

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With our animal husbandry, dairy farm operations, processing facilities and multi-distribution network, we are present across the value chain, at each of the upstream, midstream and downstream stages, of an integrated dairy industry as set out below:

Upstream	Midstream	Downstream
Farm management, animal husbandry and milking	**Milk processing**	**Distribution**
Our Group as at the LPD		
• Approximately 8,600 dairy cows in Malaysia and Australia • Access to own supply of cross-bred AFS-Holsteins, pure AFS and pure bred Holsteins • Ongoing research and development strategy to further improve the genetics of our cows and develop a superior gene pool locally via in-vitro fertilisation and selective breeding • Farm management and animal husbandry practices incorporating the right feed, optimal environmental conditions for our cows, most appropriate milking schedule and advanced milking stations	• Two processing facilities in Malaysia and one processing facility in Australia • Our Kyabram facility processes raw milk for use in our Malaysian midstream operations to produce finished UHT/ambient products. To a lesser extent, raw milk processed at our Kyabram facility is sold externally to customers in the Asia Pacific region. • Wide portfolio of products, comprising dairy products (RTD chilled milk, ambient/UHT and yoghurt products), plant-based products and fruit jam and sauces • Recognised brands such as Farm Fresh, Master Barista, Yarra Farm, Henry Jones and Nubian Goat's Milk, as well as OEM and private label products • Fresh milk output processed into our liquid milk products	• Multi-channel distribution model to facilitate sales of different products to address different customer markets • In Malaysia, distribution network comprises large format retailers, stockists/dealers, HORECA, export markets and convenience stores • In Australia, distribution network comprises large format retailers, HORECA and export markets

Our Farms and processing facilities

As at the LPD, we operate five dairy farms in Malaysia with an aggregate gross land area of about 2,829 acres, and one dairy farm in Australia with an aggregate gross land area of about 2,587 acres in Australia. We commenced operations at our Muadzam Shah Farm in 2014, Desaru Farm in 2017, UPM Farm in 2018 and Mawai Farm in 2019, and acquired our Greater Shepparton Farm in 2017. We also have expanded our dairy farm operations in Malaysia with the addition of a fifth farm, our Taiping Farm, which commenced construction in 2020. We have started housing dairy herd at our Taiping Farm in 2021 and have commenced farm operations since. We expect to commence full operations, including milk processing, at our Taiping Farm in the first half of 2022.

The dairy farms and processing facilities which we operate are situated within close proximity of our key farms in the respective jurisdictions which they are located. The maps below illustrate the location of our dairy farms and processing facilities in Malaysia and Australia:

The following table sets out the details of our existing farms as at the LPD. Details of our material properties leased/tenanted are set out in Annexure B of this Prospectus.

Farms	Muadzam Shah	Desaru	UPM	Mawai	Taiping	Greater Shepparton	Total
Commencement of construction	2014	2016	2017	2018	2020	-	**N/A**
Year of acquisition	N/A	N/A	N/A	N/A	N/A	2017[8], 2018[9] & 2019[10]	**N/A**
Commencement of commercial production	Dec-14	Sep-17	Sep-18	Oct-19	[7]Sep-21	Dec-17, Feb -19 & Apr-19	**N/A**
Area (acres)	[5]1,105	325	100	471	828	2,587	**5,416**
Current capacity (number of dairy herd)[1] [A]	[6]3,100	550	450	1,400	1,400	2,750	**9,650**
Number of milking cows [B]	1,459	256	200	645	28	1,160	**3,748**
Number of non-milking female cattle[2] [C]	1,540	238	212	659	724	1,512	**4,885**
Total dairy herd [D] = [B]+ [C]	2,999	494	412	1,304	752	2,672	**8,633**
Excess capacity (number of dairy herd)[3] [E] = [A]- [D]	101	56	38	96	648	78	**1,017**
Additional capacity that can be added to the farm[4] (number of dairy herd) [F]	2,500	-	-	534	1,900	200	**5,134**
Total capacity based on landbank size [G] = [A] + [F]	5,600	550	450	1,934	3,300	2,950	**14,784**
Total excess capacity based on current excess and additional capacity that can be added [G] - [D]	2,601	56	38	630	2,548	278	**6,151**

Notes:

(1) Based on current erected facilities at the respective farms. Capacity of the farm reflects capacity for dairy cows and does not include bulls.

(2) Comprises non-milking dairy herd, comprising female heifers (7-24 months), calves (0-6 months) and dry cows.

(3) The number of dairy herd after deducting the current capacity by the total number of dairy herd at the respective farms.

(4) Our Muadzam Shah Farm, Mawai Farm and Greater Shepparton Farm can be further expanded based on available land area. Facilities at our Taiping Farm are still being constructed for the additional capacity.

(5) Including the additional 500 acres of land from the Pahang State Development Corporation which we have agreed to sub-lease for a 30-year period.

(6) Not including the additional 500 acres of land sub-leased from the Pahang State Development Corporation, as it is still in the process of clearing. Upon completion, the 500 acres of land can house an additional 2,500 number of dairy herd.

(7) Completed in March 2021 with first heifer arrival and basic shed completed.

(8) Greater Shepparton Farm 1 was acquired in October 2017, and commenced operations in December 2017.

(9) An agreement to acquire Greater Shepparton Farm 2 was entered into in December 2018, and operations commenced in February 2019.

(10) An agreement to acquire Greater Shepparton Farm 3 was entered into in March 2019, and operations commenced in April 2019.

The construction of a standard dairy farm typically takes between 12 to 18 months. Upon completion of the essential facilities such as barns, we would bring in pregnant heifers and/or heifers, either directly from Australia or from another of our farms in Malaysia.

The table below summarises the total raw milk output and milk yield, as well as a breakdown of our dairy cows in respect of our farms in Malaysia and Australia for the periods indicated:

	FYE 31 March 2019	**FYE 31 March 2020**	**FYE 31 March 2021**	**FPE 30 September 2021**	**1 April 2021 up to the LPD**
Malaysia					
Total milking cows [(1)]	1,226	1,503	1,767	2,105	2,226
Total milk output (m litres)	6.8	7.9	8.9	5.4	10.0
Milk yield (litres/dairy cow/day) [(2)]	15.2	14.4	13.8	14.0	14.7
Australia					
Total milking cows [(1)]	1,001	1,296	1,242	1,209	1,232
Total milk output (m litres)	11.7	15.9	13.8	6.7	11.2
Milk yield (litres/dairy cow/day)[(2)]	32.1	33.7	30.5	30.2	29.8

Notes:

(1) Represents the average number over the number of months of the relevant period.

(2) Computed based on total milk output divided by daily average number of dairy cows that are producing milking cows.

Our Malaysian Farms

Muadzam Shah Farm

Our Muadzam Shah Farm is a vertically integrated farm with processing and manufacturing facilities on site, located in Pahang. It commenced operations in December 2014. We have rented the land which our Muadzam Shah Farm is on for three years from 5 April 2014 to 4 April 2017 with renewal for 10 further terms of three years each. We have accepted a 30-year sub-lease for an additional 500 acres of land from the Pahang State Development Corporation, bringing the total land size at our Muadzam Shah Farm to approximately 1,105 acres and increasing the farm's total capacity to house up to 5,600 dairy cows.

Our Muadzam Shah Farm is designed and built to contain certain features including a rotary milking system that allows us to milk up to approximately 400 cows per hour, tunnel-ventilated barns, insulated roofing, compost bedding packs and free-stall barns, an automated waste collection system, a sustainable waste to fertiliser management system through vermiculture, and a pasture area with fixed irrigation, ground wells and rain water reservoirs to ensure adequate water supply to support the farm operations. The milk produced at our Muadzam Shah Farm is processed at our Muadzam Shah Facility located on-site at the farm.

Mawai Farm

Our Mawai Farm is owned by Gem Organics and leased to FFMSB, both our wholly-owned subsidiaries. From 2014 to 2018, as part of our strategic plan of expansion, we operated our Mawai Farm as a feedlot and focused our resources on developing our Muadzam Shah Farm into a vertically integrated dairy farm. Our Mawai Farm subsequently reverted to a dairy farm in early 2019, with milk production commencing again in October 2019. Our Mawai Farm sits on an approximately 471-acre site and has a total farm capacity to house approximately 1,934 dairy cows as at the LPD. We own the land which our Mawai Farm is on.

Our Mawai Farm is designed and built to contain certain features including 2x36 stalls of rapid exit milking stations, fan-ventilated barns, compost bedding packs and free-stall barns and an automated waste collection system. We rely on spring water from the surrounding mountains near our Mawai Farm as a source of water supply to support our farm operations. The rapid exit milking system at our Mawai Farm allows us to milk up to approximately 200 cows per hour. The milk produced at our Mawai Farm is processed at our Larkin Facility.

Desaru Farm

Our Desaru Farm is a full-scale dairy farm located in Desaru, Johor. A full-scale dairy farm is a farm that has facilities covering all facets of dairy farm operations and typically includes barns, milking stations, pasture areas, feed mixing area and calf facilities. This is in contrast to other dairy farms with basic facilities such as a shed and milking stations, and of which calves are typically sold to external parties and animal feed purchased from external parties. Our Desaru Farm is operated by our wholly-owned subsidiary, Holstein Dairy (Desaru), and commenced operations in September 2017. It sits on an approximately 325-acre site and has a total farm capacity to house 550 dairy cows as at the LPD. We have entered into an agreement with BDSB which grants us the right to use the land for a period of 30 years. Please see Annexure B of this Prospectus for further details.

Our Desaru Farm is designed and built to contain certain features including 2x18 stalls of rapid exit milking stations, fan-ventilated barns, compost bedding packs and free-stall barns and an automated waste collection system. Our Desaru Farm also contains ground wells and rain water reservoirs to ensure adequate water supply to support the farm operations. The rapid exit milking system at our Desaru Farm allows us to milk up to approximately 100 cows per hour. The milk produced at our Desaru Farm is processed at our Larkin Facility.

UPM Farm

Our UPM Farm is a full-scale dairy farm and is also known as the UPM-FarmFresh Industry Centre of Excellence for dairy farming ("**ICoE**"), located in Selangor. It commenced operations in September 2018. It sits on an approximately 100-acre site which is owned by UPM and has a total farm capacity to house approximately 450 dairy cows as at the LPD. We have entered into an agreement with UPM which grants us the right to use the land for a period of five years from 14 August 2017 to 13 August 2022 with an option to renew for a further term of five years.

Our UPM Farm is part of our collaboration with UPM to establish the ICoE, which is intended to, amongst others, enhance research in areas related to dairy products, farming and develop our UPM Farm as an attraction under UPM's EduPark. Currently, our UPM Farm houses a visitor centre with an audio-visual room to educate the public on fresh milk and its benefits, dairy farming, dairy cows, a milk processing plant, and also organises dairy cow milking sessions and agritourism activities, which includes a greenhouse showcasing aquaponic and hydroponic systems, a petting zoo, a fighting fish aquarium, and a koi pond. On a day-to-day basis, the operations at our UPM Farm which relates to dairy farming and dairy products and agritourism are primarily run by us. Under the collaboration, UPM is entitled to 40% of the net commercial gain from sales of dairy products marketed under the UPM and Farm Fresh brand and proceeds arising from ticket sales and agritourism activities conducted by our UPM Farm.

Our UPM Farm is designed and built to contain certain features including 2x18 stalls of rapid exit milking stations, tunnel-ventilated barns, an automated waste collection system and a sustainable waste to fertiliser management system. Our UPM Farm also contains ground wells and rain water reservoirs to ensure adequate water supply to support the farm operations. The rapid exit milking system at our UPM Farm allows us to milk up to approximately 100 cows per hour. The milk produced at our UPM Farm is currently processed at our Larkin Facility, pending completion of our UPM Facility in March 2022.

Taiping Farm

We commenced construction of our Taiping Farm, located in Taiping, Perak, in October 2020. Our Taiping Farm is operated by our wholly-owned subsidiary, Holstein Selama Dairy, and will be constructed as a full-scale dairy farm. Our Taiping Farm sits on an approximately 828-acre site and is intended to have a total farm capacity to house an approximate 3,100 dairy cows. Our tenancy for the land is for a period of three years from 15 October 2019 to 14 October 2022. As at the LPD, the land planning and clearing process, grass planting and construction of the feedstore and three dairy barns have been completed.

Our Taiping Farm is designed and built to contain certain features including a state-of-the-art 60 bail rotary milking station, compost bedded tunnel-ventilated barns, a flood wash waste collection system, an automated waste collection system and a sustainable waste to fertiliser management system. Our Taiping Farm will also contain ground wells and rainwater reservoirs to ensure adequate water supply to support the farm operations. The rotary milking system at our Taiping Farm allows us to milk up to approximately 400 cows per hour. The milk produced at our Taiping Farm will be processed at our processing facility located on-site at the farm.

Our Australian Farms

Greater Shepparton Farm

In 2017, we acquired Petabern Dairies and set up our first dairy farm in Australia. Our acquisition of Petabern Dairies granted us access to the Australian Holstein's pure bred herd and genetics. Our Greater Shepparton Farm is a large-scale vertically integrated farm with processing and manufacturing facilities on site, located in Victoria, Australia. It is held by our subsidiary, THMC (Australia), and used by its wholly-owned subsidiary, Goulburn Valley Creamery, and commenced operations in December 2017. The Greater Shepparton Farm spans across three sites, namely, (i) Fidge Road & Lancaster Road, (ii) Neal Road & Norton Road, and (iii) Echuca Road, with the Neal Road & Norton Road and Echuca Road sites being acquired in 2018 and 2019, respectively, after the acquisition of the Fidge Road & Lancaster Road site in 2017. The three sites have a total size of approximately 2,587 acres, which gives our Greater Shepparton Farm the capacity to house an approximate 2,950 herd-size as at the LPD.

On 8 February 2022, we entered into an agreement to acquire a farm property at McEwan Road in Kyabram, Victoria, Australia, with a size of approximately 300 acres for a purchase consideration of AUD3.5 million. This new farm strategically fits into our expansion plans for our Kyabram Facility, as the proximity of the new farm to the Kyabram trade waste pond enables our Kyabram Facility to channel its waste water to the trade waste pond via the new farm. At the same time, the new farm is also able to source for water it requires from treated water from the trade waste pond instead of purchasing water from the local water utility company. The new farm will also be used for the AFS breed development for our Malaysian farms, enabling us to dispose of our 350-acre farm at Echuca Road, which we intend to finalise in the second quarter of 2022. The Echuca Road site, which we acquired in 2019, is currently one of three sites which make up our Greater Shepparton Farm. The completion of the acquisition of the farm property is conditional on us obtaining approval from the FIRB. We do not expect to experience any interruption to our business that may cause a significant effect on our operations arising from the acquisition of the new farm and potential disposal of our Group's farm at Echuca Road (if any).

Our Greater Shepparton Farm is designed and built to contain certain features including a rotary milking system, self-sufficient fodder production and hay production, vertically integrated dairy facilities, 24-a-side and 18-a-side swing over plant, cup remover, feed system, vat and plate cooler, stall gates, veterinary crush and other fixtures associated with a dairy plant. Our Greater Shepparton Farm also enjoys irrigation rights with high reliability water access entitlements to 1,009.8 megalitres of water from the Goulburn-Murray Rural Water Corporation, a statutory corporation of the local Victorian state government. The rotary milking system at our Greater Shepparton Farm allows us to milk up to approximately 280 cows per hour. The milk produced at our Greater Shepparton Farm is processed at our Kyabram Facility. The milk produced at our Greater Shepparton Farm was previously sold to third parties in Australia, prior to the establishment of our Kyabram Facility. We ceased the sale of 100% of the raw milk we produce to external parties since end September 2021 (save for instances where we have raw milk in excess of our processed milk requirements) and directed all raw milk produced at our Greater Shepparton Farm to our Kyabram Facility.

Farm management and animal husbandry

Breeding

As at the LPD, our herd is in the expansion phase, with AFS cows generally forming 40-60% of our overall herd size. At maturity, when our herd size is stable and no longer expanding, we intend for our herd to predominantly comprise AFS cows.

The success of our dairy breeding capabilities was underpinned by, amongst other factors, the securing of the access to the AFS gene pool and Holstein pure breed cows. In 2015, we acquired AFS Dairy Company, which resulted in us owning one of the largest gene banks of AFS tropical dairy breed globally, with both embryos and semen. The AFS breed of cows is generally more resilient and resistant to high humidity and temperatures. In 2017, we acquired Petabern Dairies to gain access to pure bred Holsteins. Holsteins generally have higher milk yields. As part of our breeding programme, we started to inseminate the Holstein heifers and the JF dams with AFS semen at our Greater Shepparton Farm before transporting the pregnant heifers to our Malaysian farms in order to combine the positive traits of both breeds of cows. We currently continue to breed pure AFS cows through our AFS gene bank and also pure Holsteins.

We have adopted a systematic breeding process focused on improving the genetic features of our herd and the measures of such process include (i) formulating and adapting breeding plans for our herd taking into consideration factors including breed, attributes, historical breeding record, historical milk yields (ii) adopting artificial insemination procedures (and failing which, natural breeding) (iii) employing sex-sorted frozen semen to increase the proportion of female calves born. We believe that our access to the AFS cattle gene bank and pure-bred Australian Holstein genetics gives us a competitive advantage as we are able to optimise the genetic mix of our dairy cows via IVF to develop the best tropical dairy cow breed. We have a dedicated IVF unit based in Malaysia which is focused on carrying out necessary research and development to achieve this.

As part of our breeding strategy, we identify dairy cows which weigh around 270kg to 300kg (approximately 60% of the mature weight of dairy cows) and display high performing tendencies across aspects such as milk yields, fertility levels, longevity and adaptability to harsh tropical environments ("**Super Cow**"). We then use an ultrasound guided ovum pick up probe to extract ovum from these Super Cows and conduct in-vitro fertilisation on the extracted ovum with superior semen before conducting an embryo transfer into a surrogate cow. A Super Cow in our herd using conventional assisted reproductive method typically produces one calf a year. IVF enables us to harvest oocytes from these superior dams and transfer them into inferior surrogate cows, and we expect that this would enable us to obtain up to 20 offspring per year from genetically superior dams. See also Section 7.12 of this Prospectus for further details.

As part of our breeding programme, we implemented an all-year round calving system to ensure optimal mix between milking and non-milking cows, which is also intended to ensure an adequate supply of fresh milk. Key components of our breeding programme include (i) a recording system to track the pedigree and performance of our cows, including milk recording, and (ii) the development of a nucleus herd of cows with superior traits as part of our IVF programme. Our breeding programme is used for both milking and non-milking cows.

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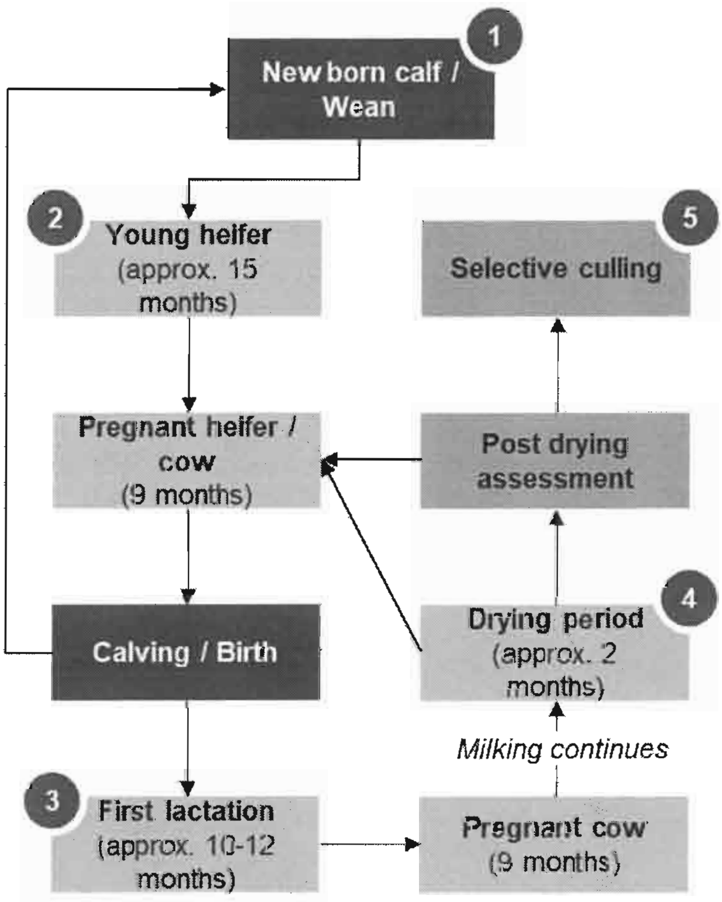
The diagram below sets out the typical lifecycle of a milking cow:



The process in the diagram above is summarised below, which sets out the birth cycle followed by the drying and assessment period.

1. **Newborn calves.** Newborn calves are cared for in a separate pen for a total of six months and given special care and diet. We milk the colostrum from the calves' mother, test it with a refractometer and if the quality is good, we will feed two litres of colostrum to the calves within six hours of birth. The balance of the colostrum is then fed to other calves whose mothers do not have the requisite colostrum. The calves are typically fed milk colostrum for the first four days and subsequently, calf milk replacement products in the first 10 weeks before being placed on a high protein feed diet thereafter. Similarly, the calf's mother is separately cared for before being reintroduced to the herd after 45 days of post-partum care.

2. **Heifers.** Heifers generally include dairy cows aged not less than six months until giving birth for the first time, which typically happens around the age of 24 months. We normally initiate the breeding process when a heifer is around 15 months and impregnated, primarily through artificial insemination of sexed semen to achieve significantly higher female calf birth rates. The pregnancy period typically lasts approximately nine months.

3. **Lactation period.** A heifer's lactation period begins the day after giving birth for the first time. As such, the heifer becomes a milking cow as early as at the age of 24 months.

   (a) Initially, colostrum is collected for four days to feed the newborn calf. From the fifth day onwards, fresh milk is collected until the end of the lactation period, which typically lasts about 10-12 months. After the post-partum care period of approximately 45 days ends, we may decide to artificially inseminate the milking cow again while in lactation.

   (b) Alternatively, after giving birth, we may decide to place the milking cow under the post-partum care programme for the first 30 days after calving, and not to artificially inseminate the milking cow again until approximately 30-45 days after the post-partum care period to ensure sufficient recovery time for the cow after the last parturition. The period of suspending insemination is commonly referred to as the "voluntary waiting period". Therefore, it typically takes around two to four months for a milking cow to become pregnant again after giving birth to its calf. Meanwhile, milking starts immediately after giving birth and continues during the voluntary waiting period.

4. **Dry period.** Following the lactation period, we will stop milking the pregnant cow for two months ahead of the projected date of calving, generally referred to as the "drying period". The drying period is essential to ensure proper preparation for labour and a high milk yield for the subsequent lactation period.

5. **Selective culling.** We typically undertake a stringent evaluation process for selective culling to optimise our costs. Generally, after the drying period, a post drying assessment is carried out to determine whether or not the dairy cow is fit to be impregnated again. Dairy cows which have been observed with inferior genetics are typically marked as 'Do Not Breed' while in lactation to ensure continual genetic progress and improvement, while those which were not pregnant during drying may be culled or sold to third parties subsequently. Typically, dairy cows are raised for six to seven years before they are culled or sold to third parties. Bulls are typically raised until they are two years old before they are sold to third parties.

Feeding

We use a total mixed ration feeding regime for all our dairy farms to ensure that our entire herd receives a ration that is well balanced both chemically and nutritionally. We mix concentrates such as corn, soybeans as well as various other locally available commodities and by-products with nutritious fresh grass which we grow in our farms along with the necessary vitamins and minerals in a machine called the TMR Wagon. This ensures that the feed is of the right mix and particle size so that every bite that our cows take is delicious, nutritious and well balanced for their nutritional requirements. Our feeding operations are led by our Group Senior Farm Manager. Our farm team monitors the feed on a weekly basis including checking for feed rejection by our dairy cows.

Farm management

We are committed to the welfare of dairy cows as part of our Group's culture of dairy farming, which we believe contributes to product quality. Our dairy farms are designed with the comfort of the dairy cows in mind. We ensure that all our dairy cows have a sufficient living space to ensure that they are comfortable. All our dairy farms have purpose-built barns with easy access to food and water, as well as clean and comfortable dry sand bedded areas that allow our dairy cows to eat, drink and relax freely. Over time, we are able to gain experience in the optimal structure and layout of the facilities in a farm to maximise efficiency of operations in the farm.

We then rely on such experience to configure or build our farms accordingly. For example, our Taiping Farm is built to take into consideration the operational flow and movement of the cows at each stage of the milking process so that delays during the milking process are minimised. Our Taiping Farm also caters for the rotary milking systems to achieve a more efficient milking process. Over the years, we have gained more knowledge and experience on the optimal housing and management systems required for dairy farming in the tropical environment that we operate in.

We have also introduced various initiatives and features across our barns with the strategic objective of increasing raw milk output, yields, productive longevity and overall well-being of our herd in a sustainable manner. For example, the barns at our Muadzam Shah Farm are installed with insulated roofing for better temperature. We have also built industrial fans, tunnel-ventilated barns (for our milking cows) and soakers in certain of our farms in order to better manage any heat stress that the dairy cows may suffer from. Compost bedded packs have also been installed to provide comfort for lactating cows. We have a strict policy against using milk boosting hormones and so, do not use any milk boosting hormones in our cows but choose to focus on ensuring the well-being and comfort of our cows instead. Save for breeding hormones which we use sparingly and are commonly used in the industry, we do not use any other hormones. We only use antibiotics for the treatment of certain diseases such as mastitis. We seek to ensure that the dairy cows treated with antibiotics observe the relevant withdrawal period so that the milk produced from such cows does not contain any antibiotics residue. We conduct antibiotic residue tests before accepting the milk for processing. Drug management is led by our veterinary team of three persons, who are responsible for drug and herd health management.

We intend to introduce various key features across our other farms in the future. For example, we will be installing large industrial fans at our Taiping Farm to achieve better ventilation in the barns.

As at the LPD, all of our Malaysian farms (save for our Taiping Farm which is still under construction) have been certified by HFAC, an international non-profit certification programme aimed at improving the lives of farm animals in food production from birth through slaughter. The goal of the programme is to improve the lives of farm animals by driving consumer demand for kinder and more responsible farm animal practices. The HFAC standards incorporate scientific research, veterinary advice, and the practical experience of farmers. The audit process seeks to ascertain whether the relevant farm is operated with good animal husbandry practices and good animal welfare practices. Key areas inspected include calf management, water provision and management and the provision of a nutritious diet free from antibiotics, hormones and growth promoters. The entire farm process (from calving, calf rearing to milking) is audited and checked rigorously. The environment where the animals are raised and housed is also inspected to ensure sufficient space, shade, lighting, thermal management, ventilation and ability to express natural behaviours. Following rigorous audits, visits, interviews and observations at our Malaysian farms, we received the Certified Humane® Raised and Handled® certification which is a testament that the dairy products produced from our farms meet the precise, objective standards for the humane treatment of farm animals.

We take the health of our herd seriously and have established strict herd biosecurity measures across our farms. These measures include (i) ensuring a close herd, where our cows do not graze beyond our boundaries, (ii) purchasing cattles from Australia, which is a Foot Mouth Disease free country, (iii) obtaining a veterinary health certificate in Australia and Malaysia for all the animals we purchase, (iv) strict entrance control with tyre dip and foot dip and hand sanitisation, and (v) having multiple farms across Malaysia and Australia, thus ensuring that the biosecurity risk is not concentrated in one area or farm. In addition, we have a qualified team comprising veterinarians as well as animal science and husbandry graduates which has primary care over the health of our herd. Regular vaccinations are also administered to the herd based on our overall herd health programme. Currently, we have also implemented RFID technology for automated monitoring of herd milk production and health status at our Muadzam Shah Farm and intend to implement this in the rest of our farms. We also carry out our routine hoof care and trimming programme to ensure that the hooves of all our animals are well trimmed and optimal for their weight distribution, balance and footing to ensure that they are able to stand and walk well at all times.

As part of ensuring the well-being and health of our herd, we are conscious of the feed and nutrition that we provide to our cows. We employ the total mixed ration method to develop different in-house feeds formula taking into consideration the different nutritional needs of the cows at different breeding cycles. In Australia, we also allow our cows to graze on the grass.

In addition, as part of our strive towards circular systems in our farm operations and to use resources in an efficient manner, we have implemented regenerative agriculture processes at our Muadzam Shah Farm and UPM Farm that focus on the treatment of solid animal waste and liquid animal waste for reuse in our operations. See Section 7.15.3 of this Prospectus for more details. Waste management at our farms is undertaken by our pasture executives, and the treatment of carcass is monitored by our veterinary team. We plan to incorporate regenerative agricultural practices at our Taiping Farm once it is fully operational.

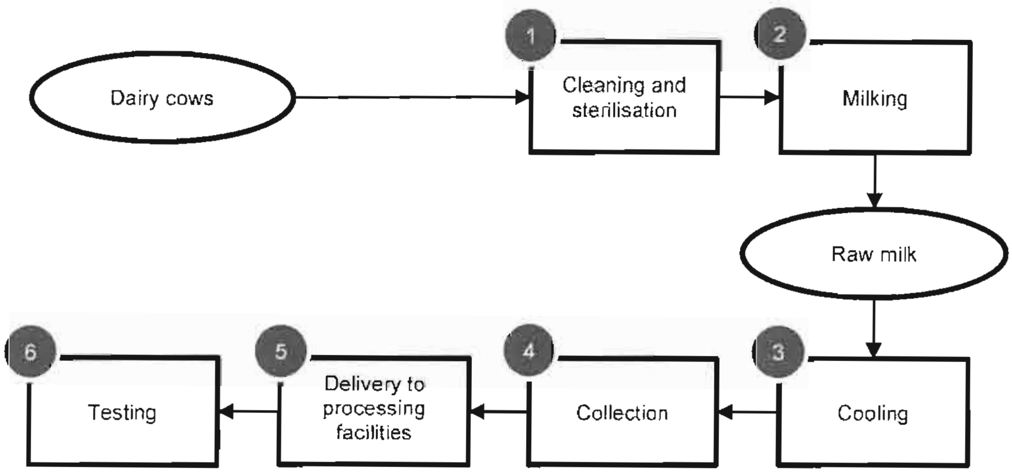
Milking

To maintain a high milk yield during the milking cow's lactation cycle, we keep a consistent milking interval of two milking sessions a day. Each milking session typically lasts four to six hours. We milk our dairy cows primarily using imported milking systems, which are highly automated and require minimal involvement of individual workers during the milking process as they directly pipe the fresh milk to our central milk tank from our dairy cows. Our milk will first pass through a plate heat exchanger system which is designed to chill the fresh milk within seconds before the milk is then transferred to and stored in our central milk tank that contains a built-in milk chilling feature to ensure that the milk is stored at the optimum temperature before being processed.

Our Muadzam Shah Farm and Greater Shepparton Farm employ a rotary milking system with the capacity to milk up to approximately 400 and 280 cows per hour respectively. The 2x36 stalls of rapid exit milking stations at our Mawai Farm have the capacity to milk up to approximately 200 cows per hour and the 2x18 stalls of rapid exit milking stations at our Desaru Farm and UPM Farm have the capacity to milk up to approximately 100 cows per hour.

We place great emphasis on quality control and have implemented strict hygiene standards at all of our milking facilities as well as during the milking process. All of the fresh milk produced in our farms is stringently tested upon reaching our processing plant including total bacterial count testing, veterinary drug testing, somatic cell testing and pathogenic bacteria testing, to ensure consistency in the quality of our fresh milk and compliance with applicable milk safety and processing standards.

The process in the diagram below illustrates our milking process:



1. **Cleaning and sterilisation.** Before milking, we clean and sterilise the teat cups, and spray the udders and teats of our dairy cows with sanitising fluid. The udders and teats of cows are wiped dry with dry towels after sterilisation.

2. **Milking.** To commence the milking process, our dairy workers will attach the teat cups, which are connected directly to an automatic pump and a temperature-controlled central milk tank, to our dairy cows' udders.

3. **Cooling.** After completion of the milking process, raw milk will be immediately cooled to around 4°C.

4. **Collection.** All the cooled milk will flow directly to our central milk tank and stored at around 4°C.

5. **Delivery to processing facilities.** We directly pipe the raw milk from our central milk tank to thermo-insulated milk trucks and delivery is made to our processing facilities.

6. **Testing.** We carry out testing and inspection once it arrives at our processing facilities, with the exception of our Muadzam Shah Farm, where testing is done at our farm central milk tank.

The entire milking process in some of our farms, namely our Muadzam Shah Farm and UPM Farm, are monitored via CCTV systems in our control room and our computer systems that record data from our dairy farms. Due to its remote location and poor internet connectivity, we do not deploy CCTV systems at both our Mawai Farm and Desaru Farm and instead have the milking process monitored by our supervisors.

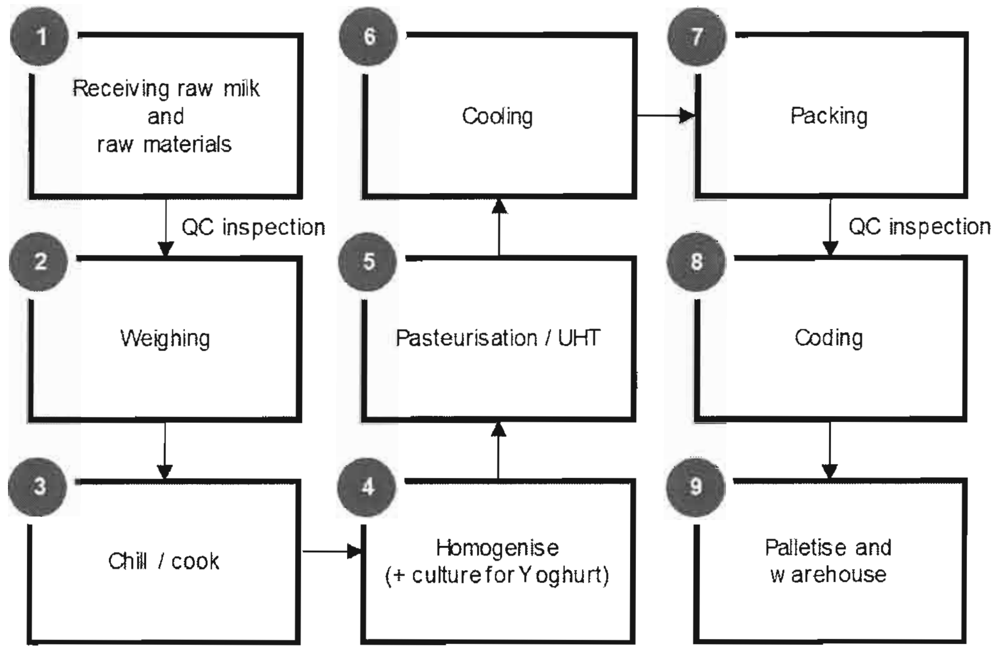
Our processing facilities

All the fresh milk we produce is processed into different types of liquid milk products at our processing facilities. Due to the various requirements in packaging processes, packaging materials and packaging sizes, different types of packages require different packaging equipment. We plan and design our production facilities based on the long-term outlook of the dairy products market and install packaging equipment accordingly.

Our processing facilities are fitted with modern dairy processing equipment such as pasteurisation, UHT processing as well as filling and packaging lines.

Process flow for pasteurised/UHT white milk, flavoured milk and yoghurt

The diagram below sets out an illustration of the manner in which raw milk is processed into our different liquid milk products:



Note: The process flow above is applicable to our processing facilities in Malaysia which produces finished goods. Please see below for the process flow at our Kyabram Facility in Australia.

1. All raw materials received are kept in a warehouse, cold room or chiller tanks. Raw milk will be delivered by a chiller tanker and will also be subject to quality control checks including on pH levels (6.5 to 6.8), composition (minimum total dissolved solid of at least 11.75%), methylene blue reduction test (should not change colour for more than four hours), antibiotic residue test, total plate count (less than 1 million) and ensuring that there is no presence of alcohol. Similar quality control tests are also performed on frozen milk once it is received in Kyabram. Milk which fails the quality control checks will be rejected.

2. Weighing of raw materials will then be carried out.

3. White (i.e. unflavoured) fresh milk is kept chilled in insulated chilled tanks while flavoured, chilled, pasteurised, and white and flavoured UHT go through a cooking process at 80-90°C.

4. Homogenisation then takes place for the milk products. For yoghurt products, cultures are added to the milk mixture and left to undergo a fermentation process before homogenisation.

5. Pasteurisation then takes place at varying temperature levels and time periods depending on the underlying product.

6. The products then go through a cooling process immediately after pasteurisation.

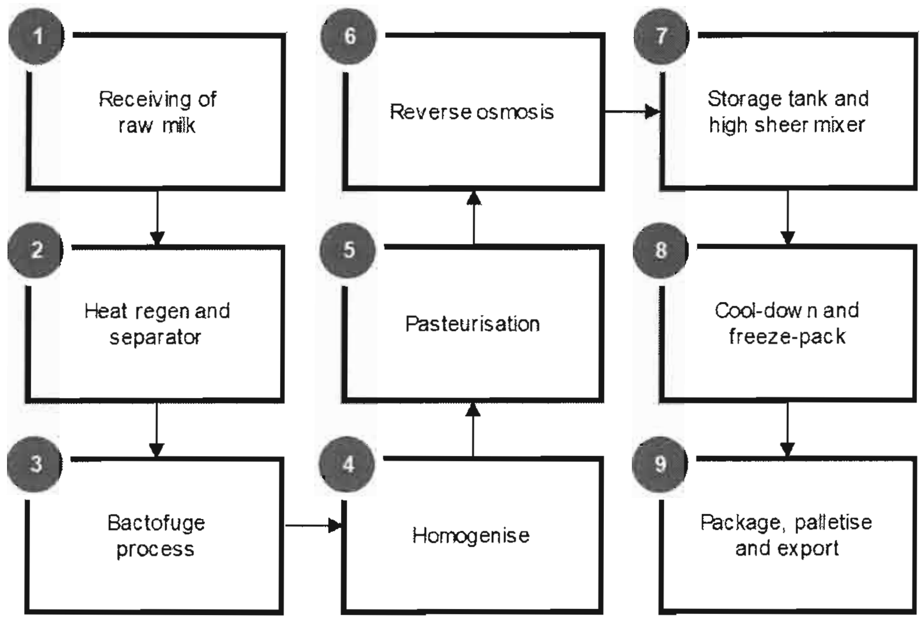
7. The packing of the products is carried out via filling machines. The packed products are also subject to another round of quality control checks involving a packaging integrity check, microbe checks and pH level checks.

8. The final packaged product will be coded with a batch number and a product expiration date.

9. The finished goods are packed and sorted into pallets and wrapped in preparation for transport and distribution.

Process flow for our Kyabram Facility

The diagram below sets out an illustration of the manner in which raw milk from our Greater Shepparton Farm and raw milk that we purchase from third party suppliers are processed in our Kyabram Facility before being shipped to our farms and processing facilities in Malaysia:



Note: The process flow above is applicable to our Kyabram Facility in Australia, which processes raw milk.

1. Raw milk is received in the raw milk balance tank.

2. The milk goes through a heat regeneration process to separator and the separated cream is sent to cream storage tank.

3. Milk is sent to bactofuge, where bacteria is spun off.

4. The milk goes through homogenisation process.

5. Milk is pasteurised.

6. Milk is then sent to reverse osmosis membrane process.

7. The skimmed milk concentrate is sent to storage tanks. A high shear mixer mixes the cream separated in step 2 above.

8. Cool down and freeze-pack process, after which the coding of the products is done and metal detector test is conducted to check the products.

9. Frozen milk concentrate is packaged and palletised for export.

As part of our business growth, we have been investing in manufacturing facilities to manufacture finished products and process raw milk required for our operations. As at the LPD, we have a total of three processing facilities, consisting of two facilities with a total of 18 filling and packaging lines in Malaysia, and one facility with one raw milk processing line in Australia.

Our total annual production capacity, which represents the effective production capacity of our lines as well as production capacity that has been installed but is not yet operational for a full financial year, is 137.0 million litres of finished products and 84.0 million litres of processed milk as at the LPD.

The table below summarises the production capacities and utilisation rates of our processing facilities for the periods indicated:

	FYE 31 March 2019			FYE 31 March 2020			FYE 31 March 2021		
Processing facility	Production capacity(1)	Actual production volume(2)	Utilisation rate(3)	Production capacity(1)	Actual production volume(2)	Utilisation rate(3)	Production capacity(1)	Actual production volume(2)	Utilisation rate(3)
	('000 litres)	('000 litres)	(%)	('000 litres)	('000 litres)	(%)	('000 litres)	('000 litres)	(%)
Finished products									
Muadzam Shah Facility	(4)28,634	7,681	26.8	46,429	22,209	47.8	56,936	38,330	67.3
Larkin Facility	42,554	20,325	47.8	52,554	25,916	49.3	52,554	38,306	72.9
	71,188	**28,006**	**39.3**	**98,983**	**48,125**	**48.6**	**109,490**	**76,636**	**70.0**
Processed milk									
Kyabram Facility	-	-	-	-	-	-	**(5)38,500**	**21,551**	**56.0**

	FPE 30 September 2021			1 April 2021 up to the LPD		
Processing facility	Production capacity(1)	Actual production volume(2)	Utilisation rate(3)	Production capacity(1)	Actual production volume(2)	Utilisation rate(3)
	('000 litres)	('000 litres)	(%)	('000 litres)	('000 litres)	(%)
Finished products						
Muadzam Shah Facility	34,563	19,988	57.8	59,307	34,100	57.5
Larkin Facility	31,380	20,493	65.3	52,300	32,958	63.0
	65,943	**40,481**	**61.4**	**111,607**	**67,058**	**60.1**
Processed milk						
Kyabram Facility	**42,000**	**21,972**	**52.3**	**(5)70,000**	**38,184**	**54.5**

Notes:

(1) Production capacity is calculated based on our effective production capacity after taking into consideration downtime for cleaning-in-place and replenishment of packaging materials (required for our filling and packaging lines), scheduled maintenance and other reasons, multiplied by the number of days during which such production capacity was available.

(2) Actual production volume is based on the actual production output for the relevant period.

(3) Utilisation rate is calculated by dividing actual production volume by production capacity for the relevant period.

(4) Our Muadzam Shah Facility commenced operations in June 2018.

(5) Our Kyabram Facility commenced operations in October 2020.

We regularly review the scale of our operations and make continual investments in new or existing production lines with the aim of capturing growth in the market of our products. In particular, we installed additional filling and packaging lines such that the number of our lines in Malaysia increased from 12 as at 31 March 2019 to 16 as at 31 March 2021 and further increased to 18 as at the LPD.

The utilisation rates of our facilities are driven by prevailing demand and actual orders for our products. However, the expansion of our business operations has historically been driven by production capacity growth and a subsequent increase in utilisation.

Our historical utilisation rates were low in periods when we built significant capacity in anticipation of future demand for certain products.

Our Directors believe that our capacity utilisation strategies position us well to benefit from growth opportunities, allowing us to accept more orders from our existing customers, while also expanding our customer base.

For example, we completed the installation of three additional filling and packaging lines at our Muadzam Shah Facility, with one installed in each of April 2018, July 2018 and August 2018, respectively, which in aggregate increased total production capacity by 28.6 million litres. However, as the lines were only operated from June 2018, July 2018 and August 2018, respectively, the overall utilisation rate of our Muadzam Shah Facility was 26.8% for the FYE 31 March 2019. We continued to increase our production capacity by subsequently installing two more new lines at our Muadzam Shah Facility each in July 2019 and September 2019 and another two new lines in January 2021, increasing production capacity for FYE 31 March 2020 and FYE 31 March 2021 by 62.1% and 22.6%, respectively. As a result of the increasing demand for our UHT products in the ensuing periods, the utilisation rates of our Muadzam Shah Facility grew by 78.4% and 40.8% in FYE 31 March 2020 and FYE 31 March 2021, respectively, exceeding the growth in production capacity for the same periods. In FPE 30 September 2021, an additional line was installed which correspondingly reduced the utilisation rates by 14.1%.

Similarly, at our Larkin Facility, we installed four additional filling and packaging lines, one each in April 2018, August 2018, March 2019 and April 2021 to cater to anticipated future demand for our RTD chilled milk and yoghurt products. The utilisation rate at our Larkin Facility had slightly increased by 3.1% in the FYE 31 March 2020 compared to FYE 31 March 2019 and further improved by 47.9% in FYE 31 March 2021 due to higher demand for our RTD chilled milk and yoghurt products during the year. In FPE 30 September 2021, an additional line item was installed which correspondingly reduced the utilisation rates by 10.4%.

From 1 April 2021 up to the LPD, we have further expanded our total production capacity by installing one additional UHT filling and packaging line at our Muadzam Shah Facility in August 2021, and one additional filling and packaging line for RTD chilled milk at our Larkin Facility in April 2021. Accordingly, as at LPD, we have 18 packaging and filling lines with a total production capacity of 137.0 million litres of finished products and 84.0 million litres of processed milk.

Our ability to meet the additional demand for dairy products would also depend on further investments in additional production capacity in existing and new locations. We have plans to expand our production capacity for finished products over the next three years by (i) setting up new processing facilities, (ii) setting up a new manufacturing hub in the greater central region of Peninsular Malaysia, (iii) setting up an integrated processing facility dairy farm, (iv) expanding our Kyabram Facility to include the production of UHT/ambient products, and (v) installation of new filling and packaging lines at our existing processing facilities.

For further details on our expansion plans, see Sections 7.3.1 and 7.3.3 of this Prospectus.

7.5.1 Our products

We offer a variety of products such as dairy products, plant-based products and fruit jam and sauces. Our dairy products comprise chilled RTD milk, UHT/ambient products, and yoghurt products under Farm Fresh and related brands.

While we have previously sold 100% of the raw milk we produce to third parties, we have, since end September 2021, ceased selling the raw milk produced at our Greater Shepparton Farm to third parties going forward (save for instances where we have raw milk in excess of our processed milk requirements). The milk from our Greater Shepparton Farm is channelled to our Kyabram Facility. In addition, during the FPE 30 September 2021, our Directors have decided to rationalise the existing business of Henry Jones Foods, which would involve, amongst other things, downsizing the fruit jam business.

The following table sets out our key product portfolio by category and brand:

Product category	Major ingredients/ protein content	Product offerings	Brands	Shelf life
Chilled RTD milk	• Pasteurised milk • Protein average:3.4% • Calcium: 122mg/100 ml	Full Cream Fresh Milk Skinny (Low Fat) Milk Kurma Flavoured Milk Chocolate Flavoured Milk Coffee / Café Latte Flavoured Milk Lactose Free Fresh Milk Lactose Free Skinny (Low Fat) Milk Master Barista Full Cream Fresh Milk Skimmed Milk Nubian Goat Milk / Chocolate Milk Henry Jones Organic A2 Protein Milk Banana Flavoured Milk	Farm Fresh Yarra Farm Master Barista Nubian Goat's Milk Henry Jones	25-28 days in low temperature (2°C-4°C)
UHT/ambient products	• Milk • Protein: above 3.4% • Other flavouring	Coffee / Café Latte Flavoured UHT Milk Chocolate Flavoured UHT Milk	Farm Fresh Yarra Farm	Average of six months at room temperature

Product category	Major ingredients/ protein content	Product offerings	Brands	Shelf life
		Kurma Flavoured UHT Milk		
		Tongkat Ali Coffee / Café Latte Flavoured UHT Milk	Henry Jones	
		Full Cream UHT Milk		
		Master Barista Full Cream UHT Milk		
		Full Cream UHT Fresh Milk		
		Australian Full Cream UHT Fresh Milk		
		Australian Low Fat UHT Milk		
		Henry Jones Organic A2 Protein UHT Milk		
		Lactose Free UHT Fresh Milk		
		Banana Flavoured Milk		
Yoghurt products	• Milk	Natural Full Cream Yoghurt	Farm Fresh	40 days in low temperature (2°C-4°C)
	• Protein: Minimum of 2.2% to 5.8%	Natural Skinny (Low Fat) Yoghurt		
		Farm Yoghurt	Yarra Farm	
	• Fruit pulps	Greek Yoghurt		
	• Other flavouring	Lychee Flavoured Yoghurt Drink		
		Fruit Punch Flavoured Yoghurt Drink		
		Mixed Berries Flavoured Yoghurt Drink		
		Strawberry Flavoured Yoghurt Drink		
		Mango Flavoured Yoghurt Drink		
		Original Flavoured Yoghurt Drink		

Product category	Major ingredients/ protein content	Product offerings	Brands	Shelf life
		Mixed Berries Flavoured UHT Yoghurt Drink Strawberry Flavoured UHT Yoghurt Drink Mango Flavoured UHT Yoghurt Drink Original Flavoured UHT Yoghurt Drink		
Plant-based products	• Water and grain • Protein: Minimum of 1.3% to 5% • Other flavouring	Soy Milk (Original & Unsweetened) Oat Milk UHT Soy Milk – Original UHT Soy Milk – Chocolate Flavoured UHT Soy Milk (Original & Unsweetened) UHT Oat Milk	Farm Fresh	Six months at room temperatur e
Sauces	• Water • Sugar • Canola Oil • Food Acid (Acetic) • Salt • Protein: Minimum of 0.1% to 5.1%	Honey Soy Marinade Satay Marinade Avocado and Garlic Dressing Mango Vinegarette Balsamic Vinegarette Thai Satay Peanut Satay Thai Green Curry Kashmiri Butter Chicken Massaman Curry Seafood Cocktail Tartare	Taylor's	18 – 24 months in dry store conditions

Chilled RTD milk

We market various chilled RTD milk products under different brands. Our Farm Fresh branded chilled RTD milk products are pasteurised milk made from raw milk. Pasteurisation is generally adopted in the dairy industry to reduce the risks of disease from microbial growth while preserving the nutrients of fresh milk. We believe that the formulation of protein and fat content of our fresh milk products contributes to the smooth and rich taste of our chilled RTD milk products. The table below sets out certain information on our chilled RTD milk products as at the LPD:

	Brand / Product	**Suggested retail price**	**Features**
	Farm Fresh Full Cream Fresh Milk	RM3.20 to RM3.70 (200ml) RM5.30 to RM5.80 (568ml) RM7.70 to RM8.40 (1L) RM14.70 to RM15.70 (2L)	• Protein content Min 3.4g/100ml • Fat Content Min 3.8g/100ml • Calcium Content Min 122mg/100ml
	Farm Fresh Skinny (Low Fat) Milk	RM3.20 to RM3.70 (200ml) RM5.30 to RM5.80 (568ml) RM7.70 to RM8.40 (1L) RM14.70 to RM15.20 (2L)	• Protein content Min 3.4g/100ml • Fat Content Max 1.5g/100ml • Calcium Content Min 122mg/100ml
	Farm Fresh Kurma Flavoured Milk	RM3.20 to RM3.70 (200ml) RM7.90 to RM8.40 (700ml)	• Protein content Min 3.5g/100ml • Fat Content Min 3.8g/100ml • Calcium Content Min 158mg/100ml • Real Kurma date concentrate
	Farm Fresh Chocolate Flavoured Milk	RM3.20 to RM3.70 (200ml) RM5.50 to RM6.00 (568ml) RM7.90 to RM8.40 (1L)	• Protein content Min 3.2g/100ml • Fat Content Min 4.0g/100ml • Calcium Content Min 104mg/100ml

7. BUSINESS OVERVIEW *(Cont'd)*

	Brand / Product	Suggested retail price	Features
	Farm Fresh Coffee / Café Latte Flavoured Milk	RM3.70 to RM4.20 (200ml) RM10.50 to RM11.00 (700ml)	• Protein content Min 3.4g/100ml • Fat Content Min 3.6g/100ml • Calcium Content Min 136mg/100ml
	Farm Fresh Lactose Free Fresh Milk	RM8.40 to RM8.90 (1L)	• Protein content Min 3.4g/100ml • Fat Content Min 3.8g/100ml • Calcium Content Min 122mg/100ml
	Farm Fresh Lactose Free Skinny (Low Fat) Milk	RM8.40 to RM8.90 (1L)	• Protein content Min 3.4g/100ml • Fat Content Max 1.5g/100ml • Calcium Content Min 122mg/100ml
	Yarra Farm Full Cream Fresh Milk	RM7.70 to RM8.40 (1L)	• Protein content Min 3.4g/100ml • Fat Content Min 3.8g/100ml • Calcium Content Min 122mg/100ml
	Yarra Farm Skinny (Low Fat) Milk	RM7.70 to RM8.40 (1L)	• Protein content Min 3.4g/100ml • Fat Content Max 1.5g/100ml • Calcium Content Min 122mg/100ml
	Master Barista Full Cream Fresh Milk	RM6.30 (1L)	• Protein content Min 3.4g/100ml • Fat Content Min 3.8g/100ml • Calcium Content Min 122mg/100ml

	Brand / Product	Suggested retail price	Features
	Yarra Farm Skimmed Milk	RM6.30 (1L)	• Protein content Min 4.1g/100ml • Fat Content Max 0.1g/100ml • Calcium Content Min 239.5mg/100ml
	Nubian Goat Milk	RM5.50 to RM6.30 (200ml)	• Protein content Min 3.0g/100ml • Fat Content Min 3.8g/100ml • Calcium Content Min 137mg/100ml
	Henry Jones Organic A2 Protein Milk	RM9.90 (1L)	• Protein content Min 3.5g/100ml • Fat Content Min 3.8g/100ml • Calcium Content Min 130mg/100ml
	Banana Flavoured Milk	RM8.90 (700ml)	• Protein content Min 2.9g/100ml • Fat Content Min 3.2g/100ml • Calcium Content Min 97mg/100ml

UHT/ambient products

We market various UHT/ambient milk products under different brands. Compared to our fresh milk products, our UHT/ambient milk products have longer shelf life. We also offer flavoured UHT milk. The table below sets out certain information on our UHT/ambient milk products as at the LPD:

	Brand / Product	Suggested retail price	Features
	Farm Fresh Coffee / Café Latte Flavoured UHT Milk	RM2.60 to RM3.00 (200ml)	• Protein content Min 3.4g/100ml • Fat Content Min 3.6g/100ml • Calcium Content Min 136mg/100ml

	Brand / Product	Suggested retail price	Features
	Farm Fresh Chocolate Flavoured UHT Milk	RM1.25 to RM1.40 (125ml) RM2.30 to RM2.60 (200ml) RM7.40 to RM7.90 (1L)	• Protein content Min 3.1g/100ml • Fat Content Min 3.4g/100ml • Calcium Content Min 102mg/100ml
	Farm Fresh Kurma Flavoured UHT Milk	RM1.40 to RM1.50 (125ml) RM2.40 to RM2.80 (200ml) RM10.00 to RM10.90 (1L)	• Protein content Min 3.4g/100ml • Fat Content Min 3.6g/100ml • Calcium Content Min 100mg/100ml
	Farm Fresh Tongkat Ali Coffee / Café Latte Flavoured UHT Milk	RM3.70 to RM3.90 (200ml)	• Protein content Min 2.4g/100ml • Fat Content Min 3.5g/100ml • Calcium Content Min 145.4mg/100ml
	Yarra Full Cream UHT Milk	RM4.90 to RM5.20 1L	• Protein content Min 3.2g/100ml • Fat Content Min 3.5g/100ml • Calcium Content Min 127mg/100ml
	Yarra Master Barista Full Cream UHT Milk	RM5.70 to RM6.00 (1L)	• Protein content Min 3.3g/100ml • Fat Content Min 3.3g/100ml • Calcium Content Min 122mg/100ml
	Farm Fresh Full Cream UHT Fresh Milk	RM1.25 to RM1.40 (125ml) RM2.30 to RM2.60 (200ml) RM7.40 to RM7.90 (1L)	• Protein content Min 3.4g/100ml • Fat Content Min 3.8g/100ml • Calcium Content Min 122mg/100ml

	Brand / Product	Suggested retail price	Features
	Farm Fresh Australian Full Cream UHT Fresh Milk	RM7.50 to RM8.00 (1L)	• Protein content Min 3.3g/100ml • Fat Content Min 3.6g/100ml • Calcium Content Min 122mg/100ml
	Farm Fresh Australian Low Fat UHT Milk	RM7.50 to RM8.00 (1L)	• Protein content Min 3.3g/100ml • Fat Content Max 1.5g/100ml • Calcium Content Min 122mg/100ml
	Henry Jones Organic A2 Protein UHT Milk	RM2.90 to RM3.10 (200ml) RM8.90 to RM9.90 (1L)	• Protein content Min 3.5g/100ml • Fat Content Min 3.8g/100ml • Calcium Content Min 130mg/100ml
	Farm Fresh Lactose Free UHT Fresh Milk	RM2.60 to RM2.80 (200ml)	• Protein content Min 3.4g/100ml • Fat Content Min 3.8g/100ml • Calcium Content Min 122mg/100ml • Lactose content max 0.05mg/100ml
	Farm Fresh Banana Flavoured UHT Milk	RM2.60 to RM2.80 (200ml)	• Protein content Min 2.9g/100ml • Fat Content Min 3.2g/100ml • Calcium Content Min 97mg/100ml

Yoghurt products

We market various yoghurt products under different brands. Our yoghurt products are made by cultivating live lactic acid bacteria in our milk. In addition to plain yoghurt, we offer flavoured yoghurt by blending plain yoghurt with fruit pulp, farm yoghurt and greek yoghurt. The table below sets out certain information on our yoghurt products as at the LPD:

	Brand / Product	Suggested retail price	Features
	Farm Fresh Natural Full Cream Yoghurt	RM6.05 to RM6.85 (400G) RM16.25 to RM16.75 (1.5KG)	• Protein content Min 3.4g/100ml • Fat Content Min 3.8g/100ml • Calcium Content Min 122mg/100ml
	Farm Fresh Natural Skinny (Low Fat) Yoghurt	RM6.05 to RM6.85 (400G) RM16.25 to RM16.75 (1.5KG)	• Protein content Min 3.4g/100ml • Fat Content Max 1.5g/100ml • Calcium Content Min 122mg/100ml
	Farm Fresh Farm Yoghurt (Mixed Berries, Strawberry, Mango, Peach, Apricot, Fig, Pumpkin, Durian & Original Flavoured)	RM2.55 to RM4.20 (120G)	• Protein content Min 3.5g/120g • Fat Content Min 3.8g/120g • Calcium Content Min 134.5mg/120g
	Farm Fresh Greek Yoghurt (Apricot with seeds, Mulberries & Strawberries, Peach & Aloe Flavoured)	RM3.70 to RM4.50 (120G)	• Protein content Min 5.8g/120g • Fat Content Min 5.8g/120g • Calcium Content Min 276.6mg/120g
	Yarra Farm Natural Yoghurt	RM6.20 to RM6.80 (470G) RM14.60 to RM15.20 (1.4KG)	• Protein content Min 4.1g/100g • Fat Content Max 1.6g/100g • Calcium Content Min 142mg/100g

	Brand / Product	Suggested retail price	Features
	Farm Fresh Yoghurt Drink (Lychee, Fruit Punch, Mixed Berries, Strawberry, Mango & Original)	RM2.50 to RM3.10 (200ML) RM5.50 to RM6.30 (700ML)	• Protein content Min 2.2g/100mL • Fat Content Max 1.2g/100mL • Calcium Content Min 115mg/100mL
	Farm Fresh UHT Yoghurt Drink (Mixed Berries, Strawberry, Mango, Original Flavoured)	RM2.20 to RM2.50 200ml	• Protein content Min 2.2g/100ml • Fat Content Max 1.2g/100ml • Calcium Content Min 115mg/100ml

Plant-based products

We market various plant-based products under different brands. We currently offer soy milk, oat milk and almond milk under our plant-based product range. These plant-based products are lactose free and vegan. The table below sets out certain information on our plant-based products as at the LPD:

	Brand / Product	Suggested retail price	Features
	Farm Fresh Soy Milk (Original & Unsweetened)	RM6.50 to RM7.00 (1L)	• Protein content Min 3.1g/100ml • Fat Content Min 1.6g/100ml • Calcium Content Min 34mg/100ml • Lactose free • Vegan
	Farm Fresh Oat Milk	RM13.90 to RM14.50 (1L)	• Protein content Min 1.6g/100ml • Fat Content Max 2.5g/100ml • Calcium Content Min 51.8mg/100ml • Lactose free • Vegan

7. BUSINESS OVERVIEW *(Cont'd)*

	Brand / Product	Suggested retail price	Features
	Farm Fresh UHT Soy Milk – Original	RM1.70 to RM1.90 (200ml) RM6.00 to RM6.50 (1L)	• Protein content Min 3.9g/100ml • Fat Content Min 1.8g/100ml • Calcium Content Min 96.5mg/100ml • Lactose free • Vegan
	Farm Fresh UHT Soy Milk – Chocolate Flavoured	RM1.70 to RM1.90 (200ml) RM6.00 to RM6.50 (1L)	• High Protein content Min 5g/100ml • Fat Content Min 2.4g/100ml • Calcium Content Min 120mg/100ml • Lactose free • Vegan
	Farm Fresh UHT Almond Milk (Original & Unsweetened)	RM3.50 to RM3.70 (200ml) RM13.00 to RM13.50 (1L)	• Protein content Min 1.3g/100ml • Fat Content Min 3.1g/100ml • Calcium Content Min 130.6mg/100ml • Lactose free • Vegan
	Farm Fresh UHT Oat Milk	RM3.50 to RM3.70 (200ml) RM13.00 to RM13.50 (1L)	• Protein content Min 1.6g/100ml • Fat Content Min 2.5g/100ml • Calcium Content Min 6.9mg/100ml • Lactose free • Vegan

Sauces

We market various sauce products under the Taylor's brand offering a selection of gourmet sauces and marinades. Our sauce products include various flavour varieties. The table below sets out certain information on our sauce products as at the LPD:

Brand	Suggested retail price	Features
Taylor's	AUD3.00 (250ml) AUD4.50 (350ml-525ml) AUD35.0 (4 litres)	• Gourmet marinades, sauces and mayonnaise • Various flavours available

The following tables set out the breakdown of our revenue by product categories and the percentage these revenues represent as a proportion of our total revenue for the financial years/periods indicated:

	FYE 31 March					
	2019		2020		2021	
	RM'000	%	RM'000	%	RM'000	%
Dairy products						
Chilled RTD milk	116,939	65.6	156,757	51.7	224,379	45.7
UHT/ambient products	12,680	7.1	73,887	24.4	150,760	30.7
Yoghurt products	31,693	17.8	39,871	13.2	48,623	10.0
	161,312	**90.5**	**270,515**	**89.3**	**423,762**	**86.4**
Plant-based products	1,075	0.6	1,949	0.6	11,889	2.4
Fruit jam and sauces(1)	-	-	7,540	2.5	27,984	5.7
Raw milk(2)	15,840	8.9	22,649	7.5	23,731	4.8
Others(3)	-	-	414	0.1	3,132	0.7
Total revenue	**178,227**	**100.0**	**303,067**	**100.0**	**490,498**	**100.0**

	FPE 30 September			
	2020		2021	
	RM'000	%	RM'000	%
Dairy products				
Chilled RTD milk	110,528	47.1	124,250	48.3
UHT/ambient products	69,475	29.7	71,519	27.8
Yoghurt products	24,427	10.4	23,083	9.0
	204,430	**87.2**	**218,852**	**85.1**
Plant-based products	2,694	1.1	5,114	2.0
Fruit jam and sauces(1)	15,250	6.5	15,771	6.1
Raw milk(2)	10,931	4.7	13,788	5.4
Others(3)	1,118	0.5	3,662	1.4
Total revenue	**234,423**	**100.0**	**257,187**	**100.0**

Notes:

(1) We started selling fruit jam and sauces in December 2019 but due to the rationalisation plan to downsize IXL fruit jam operations, we expect sales of fruit jams to reduce over time.

(2) We had historically sold 100% of the raw milk we produced to third parties. We have, since the end of September 2021, ceased sales of our raw milk to third parties (save for instances where we have raw milk in excess of our processed milk requirements).

(3) Includes beef and kurma dates, amongst other products.

A significant portion of the dairy products sold during the FYE 31 March 2019, FYE 31 March 2020, FYE 31 March 2021 and FPE 30 September 2021 were produced from fresh raw milk, and only a small portion were produced from reconstituted milk powder.

	FYE 31 March					
	2019		2020		2021	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**
Fresh milk	159,267	98.7	262,829	97.2	396,711	93.6
Milk powder[(1)]	2,045	1.3	7,686	2.8	27,051	6.4
Total dairy products revenue	**161,312**	**100.0**	**270,515**	**100.0**	**423,762**	**100.0**

	FPE 30 September			
	2020		2021	
	RM'000	**%**	**RM'000**	**%**
Fresh milk	192,800	94.3	199,554	91.2
Milk powder[(1)]	11,630	5.7	19,298	8.8
Total dairy products revenue	**204,430**	**100.0**	**218,852**	**100.0**

Note:

(1) Milk powder is used in the manufacture some of our Yarra Farm brand of dairy products as well as private label products, which were sold to large format retailers and HORECA outlets during the financial years/periods indicated.

The following tables set out the breakdown of our revenue by geographical markets and the percentage these revenues represent as a proportion of our total revenue for the financial years/periods indicated:

	FYE 31 March					
	2019		2020		2021	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**
Malaysia	155,058	87.0	262,670	86.7	420,072	85.6
Australia	15,840	8.9	30,189	10.0	51,715	10.5
Singapore	7,329	4.1	10,208	3.3	17,817	3.7
Brunei	-	-	-	-	894	0.2
Total revenue	**178,227**	**100.0**	**303,067**	**100.0**	**490,498**	**100.0**

	FPE 30 September			
	2020		2021	
	RM'000	**%**	**RM'000**	**%**
Malaysia	198,856	84.8	217,453	84.6
Australia	26,181	11.2	29,537	11.5
Singapore	9,386	4.0	9,858	3.8
Brunei	-	-	339	0.1
Total revenue	**234,423**	**100.0**	**257,187**	**100.0**

7.6 Quality management system

Good quality control is critical for dairy products. We place great emphasis on quality control and have implemented strict hygiene standards at all of our milking facilities as well as during the milking process. For example, we carry out inspections at systematic intervals throughout the process, including total plate count and coliform test, alcohol test, CMT and MBRT to ensure consistency in the quality of our fresh milk and compliance with applicable milk safety and processing regulatory standards for the Australia and New Zealand Food Standards Code, Food Act 1983, Food Regulations 1985, Food Hygiene Regulations 2009, Codex Alimentarius for Milk and Milk Products and export country standard regulations. As at the LPD, our quality control department comprises 42 members in Malaysia and three members in Australia, some of whom have professional qualifications such as degrees in applied chemistry, food science and bio-science. Our quality control supervisor has also been registered as a Certified Food Analyst by the MOH. Our quality control department closely monitors the quality of the dairy cows and feed, in addition to the quality control in the milking process and during storage and transportation. We generally follow the practices of food safety according to HACCP system, GMP and Malaysian Standard on Halal Food.

Our quality assurance team consists of a group of laboratory analyst technical members. This team monitors our manufacturing processes and ensures that sufficient controls are in place to maintain product quality. Such controls include the following elements:

- control over the quality of incoming fresh milk;
- control over raw materials and suppliers;
- control over production process from start to end; and
- control over storage and delivery of finished products.

7.7 Distribution and Sales and Marketing

7.7.1 Distribution network

We sell over 85% of our products through an extensive distribution network comprising multiple retailer and distributor formats. We operate on a multi-channel distribution model that is structured to facilitate the sales of different products to address different customer markets, and comprises large format retailers, stockists and home dealers, HORECA, export markets and convenience stores.

The tables below set out the breakdown of our revenue by distribution channel in Malaysia for the financial years/periods indicated:

	FYE 31 March		
	2019	2020	2021
	%	%	%
Revenue by distribution channel – Malaysia			
Large format retailers	59.2	44.7	44.1
Stockist / Dealers	19.2	29.6	34.5
HORECA market	16.9	19.2	14.8
Export markets[(1)]	4.2	3.5	3.8
Convenience stores	0.5	3.0	2.8

	FPE 30 September	
	2020	2021
	%	%
Revenue by distribution channel – Malaysia		
Large format retailers	44.2	46.5
Stockist / Dealers	33.7	30.5
HORECA market	15.0	16.0
Export markets(1)	4.3	4.2
Convenience stores	2.8	2.8

Note:

(1) *Includes revenue from Singapore and Brunei.*

In Australia, for our fruit jam and sauces business which we acquired in FYE 31 March 2020, our distribution channels comprise of large format retailers, HORECA and exports markets. The tables below set out the breakdown of our revenue by distribution channel in Australia for the financial years/periods indicated:

	FYE 31 March		
	2019	2020	2021
	%	%	%
Revenue by distribution channel – Australia (Fruit jam & sauces)			
Large format retailers	-	66.2	53.3
HORECA market	-	17.1	25.9
Export markets(1)	-	16.8	20.8

	FPE 30 September	
	2020	2021
	%	%
Revenue by distribution channel – Australia (Fruit jam & sauces)		
Large format retailers	54.4	63.2
HORECA market	26.0	23.6
Export markets(1)	19.5	13.2

Note:

(1) Primarily includes revenue from Malaysia, Singapore and Hong Kong.

100% of the raw milk we produced in FYE 31 March 2019, FYE 31 March 2020, FYE 31 March 2021 and FPE 30 September 2021 were sold to industrial dairy companies. We have stopped selling raw milk we produce to third parties since end September 2021 (save for instances where we have raw milk in excess of our processed milk requirements), as we can process raw milk in our Kyabram Facility, before it is shipped as a raw milk ingredient to our farms and facilities in Malaysia. Prior to the commissioning of our Kyabram Facility in October 2020, we purchased from external suppliers a significant portion of frozen milk in processed form for the production of our dairy products. With the commissioning of our Kyabram Facility, we are no longer dependent on a few processed milk suppliers as we can now channel our own raw milk to our Kyabram Facility for processing.

During the FPE 30 September 2021, our Directors decided to rationalise the existing business of Henry Jones Foods, which would involve, amongst other things, downsizing the fruit jam business. As such, we expect sales of fruit jams to reduce over time.

See Section 12.2.2(vii) of this Prospectus for more details.

Large format retailers

Our large format retailer distribution channel comprise modern trade accounts such as supermarkets and large hypermarkets in Malaysia. We leverage on these large format retailers' access to their respective local markets to reach end customers, by selling directly to these large format retailers who then on-sell our products to end consumers in their various chain outlets located across Malaysia. As at the LPD, we sell our products to 15 large format retailers and our products are carried at more than 630 locations where such retailers have a presence.

We generally enter into distribution agreements with large format retailers. The key terms of these agreements include:

- *Term*: Majority of the agreements with our large format retailer customers have trading terms which are effective for at least one year and are renewable upon expiry.

- *Minimum purchase requirement:* There is no minimum purchase required or stated in our contract with retailers. However, we do advise our retailers to have an ideal purchase amount for each delivery to be cost efficient in terms of logistic costs. However, if there is a small order, we would still need to honour it as a good business partner to service both large and small retail outlets.

- *Pricing:* The prices of the products are agreed in the trading terms. If any situation arises which necessitates us to increase the prices of the products, a notice needs to be given according to the notice period as stated in the agreement which could range from two to three months. Retailers would then either increase their prices accordingly, however only upon review of the competing prices from other retailers. In addition, we are required to inform the retailers of the reason for the increase in prices. Some retailers impose a ceiling to the price increase, which typically is a percentage of the current price.

- *Inventory level:* While we do not have the right to require our large format retailer customer to maintain a minimum level of inventory of our products, we would typically ask the outlet to place orders based on the proposal by our merchandisers who monitor the stock level at the large format retailer outlets regularly, especially for outlets that we deliver our products to directly. Whereas for retailers with distribution centres, we propose to the retailers centralised purchasing if we find that their order is below historical trend.

- *Sales rebates:* We generally provide sales rebates up to a certain percentage on a monthly or quarterly basis, depending on the trading terms agreed with the large format retailer customer.

- *Delivery:* Depending on the large format retailer's requirements, we deliver either directly to the retail outlet, or to the retailer's distribution centre within two to six days after receipt of a purchase order.

- *Payment terms:* We generally provide a credit period of 30 – 60 days from statement date.

- *Return/Exchange of products:* Quality issues, if any, would result in us issuing a recall advice to our large format retailer customers. Other than due to quality issues, our products are either delivered on a returnable or non-returnable basis. Typically, the returnable basis applies when we send our products directly to the retailer's store or retail outlet. The non-returnable basis applies when we send products to the retailer's distribution centre. When the non-returnable basis applies, we will provide the retailer with an ullage percentage. For the returnable basis, products returned are usually close to expiry, damaged/dented/broken or have missing labels/seals.

There is no minimum resale price policy for the Group's finished products under the terms of these agreements.

Specifically, for one of our major large format retailer customers, we have also entered into a distribution centre service agreement, for us to use the services of the large format retailer to manage the distribution of our products from the retailer's centralised distribution centre to the various retail outlets across the country.

We have also entered into distribution agreements with 10 distributors to distribute to our large format retailer customers. Distributors are generally responsible for tallying, inspection, receiving and sorting the goods, and we expect them to exercise due care and skill when doing so. The payment terms with the distributors are agreed at the outset of the appointment and revised from time to time.

We take into consideration a number of factors when selecting which large format retailers to carry our products. Such factors include the size, reach and scale of the potential large format retailer, the rate at which sales to the large format retailer is recurring, as well as the operational track record and market reputation of such party.

We are also conscious of international obligations or standards that our distributors must comply with and have a strict anti-corruption and anti-bribery policy, certain key concepts of which are generally built into the terms of our distribution agreements.

Stockists and Home Dealers

We sell our products directly to various stockists who then on-sell these products to home dealers under our "home dealer programme". According to Frost & Sullivan, we have the largest home dealer network that is exclusive to us amongst vertically integrated dairy companies in Malaysia. After purchasing our products from the stockists, the home dealers then sell these products to end consumers or to other agents who may in turn sell these products to end consumers. As at the LPD, we have 45 stockists, spanning all the states in Malaysia, managing 906 home dealers who in turn manage 1,772 agents of theirs selling our products.

The following tables set out the changes in the number of our stockists and home dealers as at the dates indicated:

Number of stockists	**As at 31 March**			**From 1 April 2021 to the LPD**
	2019	**2020**	**2021**	
At the beginning of the period	31	33	38	38
Additions of new stockists	-	6	-	9
Termination/departure of stockists	-	1	-	2
At the end of the period	31	38	38	45

Number of home dealers	**As at 31 March**			**From 1 April 2021 to the LPD**
	2019	**2020**	**2021**	
At the beginning of the period	588	588	852	871
Additions of new home dealers	-	417	19	74
Termination/departure of home dealers	-	153	-	39
At the end of the period	588	852	871	906

Number of agents	**As at 31 March**			**From 1 April 2021 to the LPD**
	2019	**2020**	**2021**	
At the beginning of the period	-	485	1,404	1609
Additions of new home dealers	485	1,108	211	470
Termination/departure of home dealers	-	189	6	307
At the end of the period	485	1,404	1,609	1772

The numbers of our stockists, home dealers and their agents increased significantly from FYE 31 March 2019 onwards. We believe this was mainly due to our introduction of UHT products in FYE 31 March 2019, which enabled us to have greater reach and market coverage as UHT products do not require cold chain to support transportation and storage and could be distributed easily by our stockists, home dealers and their agents. The number of home dealers and their agents grew to 588 and 485 respectively at the end of FYE 31 March 2019 and increased to 906 and 1,772 respectively as at LPD.

We typically enter into a standard distribution agreement with the stockists which includes the following key terms:

- *Term:* Our standard distribution agreement has a term of three years and is renewable upon expiry. We generally start negotiating with stockists on the renewal of distribution agreements at least three months prior to the expiration of the existing agreements.

- *Designated distribution area*: Stockists are granted the right to exclusively distribute our products in areas designated to them. Pursuant to the terms of the agreement, the stockists are not allowed to sell or distribute our products outside their designated areas.

- *Exclusivity*: Our stockists are granted the exclusive distributorship of our products in designated geographic areas in Malaysia. The stockists are obliged to carry our products exclusively.

- *Minimum purchase requirement:* Our standard distribution agreement does not include a minimum purchase requirement.

- *Resale price management:* Under our standard distribution agreement, the stockist sells our products to home dealers at a price suggested by us. The home dealers will then on-sell to their agents or to end-consumers, at a suggested price that is also determined by us. Our stockists are not permitted to sell our products at a higher or lower price than our suggested price without our prior written consent. We believe that this provides guidance and structure to the stockists, home dealers and their agents from an entrepreneurial perspective by helping them understand competitive pricing strategies which new entrepreneurs may not have knowledge or experience in.

- *Delivery*: Our standard distribution agreement does not contain any delivery schedules. Nevertheless, in practice, our products are generally delivered to our stockists within the next 7 days upon receipt of a purchase order from the stockist

- *Payment terms:* We generally provide a credit period of 14 days from the date our products are delivered to the stockist.

- *Return/Exchange of products:* We generally allow for product returns due to quality issues arising during the transportation of the products from the factories only.

- *Termination:* The agreement may be terminated by either party if the other party is in liquidation or winding-up or is loss-making. We are allowed to terminate the agreement if the stockist has not remedied a breach of a term of the agreement within 14 days from the date we notify them of such breach.

Under our standard distribution agreement, a stockist is responsible for managing the home dealers and agents, including maintaining a complete and current list of all locations where they have stocked the products, the names of all home dealers and agents, and also the dates of such products. The stockists are also obliged to use their best efforts to promote the sale and distribution of our products, including to provide adequate and trained sales staff to promote, support and undertake promotion campaigns to attract prospective customers and stimulate sales. We seek to maintain a close relationship with our stockists and perform visits to our stockists and their warehouses across Malaysia to conduct spot-checks and to ensure that our products are stored properly, within the shelf-life and distributed properly. Our stockists are responsible for inventory controls, including proper disposal of our products that have expired. We also gather feedback verbally from the stockists, including information relating to the distribution process, customer feedback and any potential competition. Any complaints are directed to our customer service team and consolidated on a daily basis. The stockists also occasionally consult us for our views in their review of the performance of the home dealers and their agents.

We work with the stockists by holding meetings, conducting seminars, courses and demonstrations to ensure that there is proper onboarding and training provided to the stockists and their representatives as to our products, the pricing of our products and the territories which they and the home dealers and agents would cover to sell our products.

Our sales team meets with the home dealers from time to time to discuss matters relating to sales, sales targets and target customer groups or areas such as schools.

We maintain oversight of the overall distribution process from the stockists to the home dealers and agents, including the delivery process and the pricing set by the stockists to ensure that the process remains sufficiently profitable for subsequent on-sellers (like the home dealers and the agents) to carry on participating in the home dealers programme. Since August 2020, we have also started requesting all home dealers and their agents to register themselves on a mobile application we have developed called "My HomeDealer". The application is intended to track the network of home dealers and agents, sales data, order data and the territories covered by the respective home dealers and agents. A large network of home dealers is also crucial in allowing us to capture customers in rural areas of Malaysia which may not be as accessible or profitable for larger retailers to establish a presence in.

As part of our strategy to reward and motivate the home dealers, we have organised fully-paid overnight retreats for the top home dealers which includes organised briefings and trainings on sales strategies, sales targets and other aspects of our business and the distribution process. However, we have not organised any such retreats since the MCO was first imposed on 18 March 2020 in response to the COVID-19 pandemic outbreak in Malaysia. During this period, we have conducted regular online meetings to discuss various matters including sales numbers and strategies.

In order to better support the sales effort of our stockists and the home dealers with a view to ultimately boosting our overall sales, we created a website in October 2019 which provides customers with an online platform to purchase our products online. The website provides information on home dealers and their agents by location and availability of stock, providing customers with information and the option of either purchasing our products online from the home dealer or agent, calling a home dealer or agent directly, or heading to the nearest stockist or home dealer to purchase our products. The online orders made are supported by immediate sales activation and efficient fulfilment by the relevant home dealers or agents, and paves the way for the home dealer or agent to create rapport with the customer from the purchase experience and subsequently deal directly with the customer for subsequent purchases.

We believe that the stockist distribution network is socially-inclusive and mutually beneficial to the stockists, home dealers and their agents as well as our Company. We stand to benefit from the sales of our products through stockists and home dealers by enjoying higher margins from such sales as we would not incur any listing fees which are otherwise payable to other retailers, such as the large format retailers, for carrying our products on their shelves. The stockist distribution network, including the home dealers programme, has also helped us extend our reach to customers in rural areas. The home dealers programme has encouraged the creation of a micro-entrepreneurial network which has positively impacted the community by creating increased job opportunities in both urban and rural areas and allowing home dealers to earn additional monthly income. As a testament to the positive social benefits that we have provided through the home dealers programme, we were nominated by SME Corporation Malaysia and received the ASEAN Inclusive Business Award in 2020.

HORECA

We also sell our products to hotels, restaurants and cafes in Malaysia which may use our products directly or on-sell our products to end consumers that patronise such HORECA outlets. Most of our sales to HORECA outlets are made through distributor agents. We sell our products to 22 distributor agents who then on-sell our products to the various HORECA outlets. For example, we have entered into a distribution agreement with AYC F&B for the distribution of our products at Family Mart convenience stores, covering all matters involving product ordering, delivery and returns. We also sell our products directly to large hotel and café chains. As at the LPD, in addition to the 22 distributor agents, we sell our products directly to three hotel chains and seven café chains. In November 2021 we have started selling our products directly to a multinational coffeehouse chain. We do not have a standard agreement with each of our distributor agents under our HORECA distribution channel as each agreement is negotiated to suit the needs of the specific distributor and/or end HORECA outlet. The distributor agent is obliged to carry our brands on an exclusive basis unless they are selling a product which we do not produce. Our products are generally delivered to our HORECA customers in Malaysia within two to six days after receipt of a purchase order.

We generally provide a credit period of 30-45 days. We allow returns of our products due to quality issues only where we are satisfied that the product quality issue was not caused by the HORECA customer's cold-chain handling.

Convenience Stores

We also sell our products to other modern trade outlets such as convenience store chains, a mini market chain, and petrol kiosk convenience stores in Malaysia. As at the LPD, our products are available at 99 Speedmart, a mini market chain in Malaysia, four major convenience store chains, namely 7-Eleven Malaysia, FamilyMart, myNEWS, and KK Mart, and the stores of five petrol companies, namely BHP PetroMart, Caltex, Mesra, Petron, and Shell Select, and our products are carried at more than 7,290 locations where such retailers have a presence. This includes the full addition of more than 2,000 99 Speedmart locations in Malaysia in December 2021. Such agreements typically provide for a fixed margin for our products and a rental payment to the retailers when we want to organise promotions at their outlets.

The key terms with convenience store customers for our products are as follows:

- *Term*: We enter into contracts with our convenience store customers which are typically for a term of one year and may be extended upon agreement by the parties.
- *Delivery:* Depending on the convenience store customer agreed arrangements, we deliver either directly to the convenience store, or to the distribution centre within two to six days after upon receipt of purchase order.
- *Sales rebates:* We generally provide sales rebates up to a certain percentage on a monthly or *quarterly* basis, depending on the trading terms agreed with the convenience store customer.
- *Payment terms:* We generally provide a credit period of 30-60 days.
- *Return/Exchange of products:* We recall our products only when issues related to quality have arisen. Other than product recalls due to quality issues, our products are delivered on either a returnable basis or a non-returnable basis. Products delivered directly to a retailer's store or a retail outlet are typically sold on a returnable basis and such products may be returned if the products are damaged, dented, contain missing labels or seals or approaching their expiry date. Products delivered to a retailer's distribution centre are typically non-returnable as such products are sold based on an agreed price which takes into account discounts, rebates or ullages that may be applicable.

Export Markets

In November 2019, we entered into an exclusive three-year distribution agreement with a Singapore company (the "**Singapore Distributor**") that imports and distributes beverages across major leading supermarkets and convenience stores in Singapore. Pursuant to the distribution agreement, the Singapore Distributor has been appointed to distribute, sell and merchandise our products in Singapore. The selling prices of our products are fixed but may be amended upon mutual agreement of the parties. We can also mutually agree to expand the range of products to be distributed, sold and merchandised. Our strategy to enter into an exclusive distribution arrangement for chilled products with a large player in the industry reflects the importance we place on the Singapore market as we look to expand our reach beyond Malaysia. Further, we also sell our UHT products in Singapore through a stockist and distributor and are in the process of forming partnerships with more distributors.

In October 2020, we entered into a distributor agreement with Bahagia Distributors Sdn. Bhd. ("**Bahagia Distributors**"), a distributor in Brunei. Under the distribution agreement, Bahagia Distributors has been appointed as our distributor and granted a non-exclusive right to sell, deliver, store and merchandise our dairy products in Brunei.

7.7.2 Selection and management of our distribution network

We appoint trading companies which have vast experience in the fast-moving consumer goods ("**FMCG**") industry as our distributors to service our retail consumers both at the local and international segment. We adopt strict guidelines to select, assess and monitor our network of distributors. We typically conduct background searches and examine and obtain copies of business licenses, etc. from our potential distributors in Malaysia.

We also consider a range of factors in selecting and evaluating the performance of our distributors including, where applicable:

(i) locations, distribution network and customer base;

(ii) relevant experience, reputation, creditworthiness and credibility;

(iii) capability in operation and management;

(iv) warehousing facilities and delivery capabilities; and

(v) historical sales value and financial health.

Our development and maintenance of a stable distribution network is supported by various factors, including (i) our well-recognised brands, (ii) distributing through a limited number of reputable large format retailers and convenience stores, and (iii) working with reliable stockists including providing support and training to stockists and home dealers.

We generally enter into distribution agreements, with typical principal terms set out above, with our large format retailers, stockists and home dealer customers, as well as for our export markets.

To ensure our sales to large format retailers reflect genuine market demand for our products, we take into account the retailers' respective market segment and reach. In the case of our stockists, they are restricted under the agreements to distribute our products in their respective designated distribution area only. This ensures their sales networks do not overlap in order to mitigate the risk of cannibalisation among our stockists and home dealers. Further, we set the suggested resale prices of our products and closely monitor the inventory level kept by our large format retailer customers and stockists to avoid excessive inventory accumulation.

7.7.3 Sales and marketing team

Our sales and marketing team leads our sales and marketing activities. As at the LPD, the team consists of 12 personnel. The team is responsible for new customer acquisition and maintaining existing customer relationships. Our sales and marketing personnel seek to understand our existing and potential customers' requirements and industry trends, and to regularly provide our customers with updates on our latest product developments. A deep understanding of our customers' needs combined with up-to-date knowledge of industry trends enables our sales and marketing team to add value for our customers and ensures that our product offerings are current and customised to individual customers' needs. Our sales and marketing employees in charge of branding also use our website and social media to communicate with customers and promote our products and services.

Our sales and marketing team also works closely with our customers, such as the stockists and home dealers, to support their needs and to strengthen our distribution channels. For example, our business development executives communicate with our stockists weekly and conduct visits to our stockists about once a month. We also provide advice and informal trainings to our stockists on book-keeping and accounts management which we believe will benefit the stockists and build up our relationship with the stockists. They also visit the home dealers from time to time.

Through regular communication and interaction with the stockists and home dealers, we are also able to gather valuable feedback on the distribution process, our products, and any geographical gaps or overlaps in the market or sales territories which we can then react to in a timely manner.

Similarly, our sales and marketing team also works closely with our large format retailers and HORECA customers, as well as oversees and manages the distributors we appoint. Our distributors have a network of merchandisers to service these retailers for order-taking, merchandising, replenishing and promoting via sampling at all their outlets. The merchandisers practise a first-in-first-out ("**FIFO**") policy to ensure the freshness of our stocks in these outlets and ensure that our brand image among the consumers is continually enhanced.

7.7.4 Transport and logistics

Our logistics and transportation team is responsible for transporting fresh milk from our farms to our processing plants in Larkin or Muadzam Shah, Malaysia. However, we also rely on third-party logistics companies for the transport of fresh milk and supplies purchased from third parties.

Similarly, we distribute our products through a combination of our internal logistics and transportation team and third party logistics companies due to the requirement of cold chain logistics. We take into consideration factors that may affect the freshness of the products and ultimately adopt what we believe would be the most practical and cost-efficient distribution method with a view to retaining the freshness and quality of the products.

To ensure that our products reach our customers in optimal quality, we have established multi-mode delivery services for our milk products. Leveraging off our transportation team, a fleet of eight delivery trucks and our third-party logistics service providers, we have been able to provide reliable delivery services to customers throughout Malaysia. To facilitate accurate and timely delivery of our products to our customers located in Malaysia, we own and rent warehouses and coordinate deliveries with the third party logistics service providers. We believe our arrangement with third party logistics service providers also allows us to focus our resources on our core business, reduces our capital investment and helps to ensure sufficient transportation capacity for our future expansion.

We generally do not keep stocks of raw milk due to its perishable nature. Our inventory comprises mainly finished dairy products and packaging. We manage our inventory levels for such products based principally on expected demand patterns and the volume of sales orders.

7.8 Major customers and suppliers

7.8.1 Major customers

Our Group's top five major customers for the FYE 31 March 2019, 2020, 2021 and FPE 30 September 2021 are as follows:

FPE 30 September 2021:

Major customers	Type	Amount of sales	% of total revenue	Length of business relationship (years)[1]
		(RM '000)		
Lotuss Stores (Malaysia) Sdn Bhd ("**Lotuss**") [2]	Large format retailer	34,024	13.2	More than 9 years
AYC F&B Sdn Bhd	Distributor	14,272	5.6	More than 4 years
Aeon Co. (M) Berhad	Large format retailer	12,618	4.9	More than 9 years
Fonterra Milk Australia Pty Ltd	Industrial dairy company	10,746	4.2	More than 2 years
Trendcell Sdn Bhd	Large format retailer	10,401	4.0	More than 9 years
Total		**82,061**	**31.9**	

FYE 31 March 2021:

Major customers	Type	Amount of sales	% of total revenue	Length of business relationship (years)[1]
		(RM '000)		
Lotuss[2]	Large format retailer	60,249	12.3	More than 9 years
Bapak Marketing & Distribution Sdn Bhd	Stockist	26,641	5.4	More than 6 years
AYC F&B Sdn Bhd	Distributor	23,596	4.8	More than 4 years
Aeon Co. (M) Berhad	Large format retailer	23,022	4.7	More than 9 years
Fonterra Milk Australia Pty Ltd	Industrial dairy company	21,252	4.3	More than 2 years
Total		**154,760**	**31.5**	

FYE 31 March 2020:

Major customers	Type	Amount of sales	% of total revenue	Length of business relationship (years)[1]
		(RM '000)		
Lotuss[2]	Large format retailer	32,632	10.8	More than 8 years
Fonterra Milk Australia Pty Ltd	Industrial dairy company	23,834	7.9	More than 1 year
Aeon Co. (M) Berhad	Large format retailer	17,929	5.9	More than 8 years
Bapak Marketing & Distribution Sdn Bhd	Stockist	16,289	5.4	More than 5 years
AYC F&B Sdn Bhd	Distributor	15,582	5.1	More than 3 years
Total		**106,266**	**35.1**	

FYE 31 March 2019:

Major customers	Type	Amount of sales	% of total revenue	Length of business relationship (years)[(1)]
		(RM '000)		
Lotuss[(2)]	Large format retailer	21,242	11.9	More than 7 years
GCH Retail (Malaysia) Sdn Bhd	Large format retailer	14,508	8.1	More than 7 years
Aeon Co. (M) Berhad	Large format retailer	12,001	6.7	More than 7 years
Australian Consolidated Milk Pty Ltd	Industrial dairy company	9,993	5.6	More than 1 year
Trendcell Sdn Bhd	Large format retailer	8,330	4.7	More than 7 years
Total		**66,074**	**37.0**	

Notes:

(1) Length of business relationship with our major customers is calculated based on the date our first sales to the customers was recorded to the respective financial year.

(2) Formerly known as Tesco Stores (Malaysia) Sdn. Bhd.

During the FYE 31 March 2019, 2020, 2021 and FPE 30 September 2021, our major customers mainly comprised distributors and retailers to whom we directly sell our products, as well as industrial dairy companies that purchase the raw milk we produce for on-sale to end customers. We have stopped selling raw milk we produce to third parties since end September 2021 (save for instances where we have raw milk in excess of our processed milk requirements), as we can process raw milk in our Kyabram Facility.

Our major customers in the FYE 31 March 2019 were predominantly large format retailers, which in aggregate contributed 55% of our total revenue in the FYE 31 March 2019. As we grew our stockists and home dealers network, large format retailers who were our major customers contributed 43%, 44% and 47% of our total revenue for the FYE 31 March 2020, FYE 31 March 2021 and FPE 30 September 2021, respectively, while stockists, which contributed to 19% of our total revenue in FYE 31 March 2019, contributed to 29%, 35% and 31% of our total revenue for the FYE 31 March 2020, FYE 31 March 2021 and FPE 30 September 2021, respectively.

For the FYE 31 March 2019, 2020, 2021 and FPE 30 September 2021, our largest customer, Lotuss, accounted for 11.9%, 10.8%, 12.3% and 13.2% of our total revenue, respectively, and our five largest customers in aggregate accounted for about 37.0%, 35.1%, 31.5% and 31.9% of our total revenue, respectively, for the same financial years/periods.

Save for Lotuss, we have not entered into any long-term contracts with our other top five major customers. The key terms of the long-term contracts with Lotuss are as follows:

(i) Supplier Trading Agreement dated 26 February 2019 entered into between FFMSB and Lotuss ("**FFMSB STA**")

- *Term*: the FFMSB STA is evergreen until terminated in accordance with the provisions of the FFMSB STA.

- *Termination*: the FFMSB STA may be terminated by either party immediately upon the occurrence of, amongst others, a material breach of the terms of the FFMSB STA, or if the other party is in liquidation or winding-up. However, Lotuss may unilaterally terminate the FFMSB STA if we are unable to fulfil our obligations under the terms of the FFMSB STA.

(ii) Supplier Trading Agreement dated 12 August 2020 entered into between Farm Fresh and Lotuss ("**FF STA**")

- *Term*: the FF STA is evergreen until terminated in accordance with the provisions of the FF STA.
- *Termination*: the FF STA may be terminated by either party immediately upon the occurrence of, amongst others, a material breach of the terms of the FF STA, or if the other party is in liquidation or winding-up. However, Lotuss may unilaterally terminate the FF STA if we are unable to fulfil our obligations under the terms of the FF STA.

Further, we are not dependent on any of our major customers as we maintain flexibility in our distribution channel, either by selecting a variety of distributors to address different customer markets or focusing on a few distributors to serve particular customer markets. Such flexible arrangements allow us to maintain relationships and grow our revenue and business in various markets.

7.8.2 Major suppliers

Our Group's top five major suppliers for the FYE 31 March 2019, 2020, 2021 and FPE 30 September 2021 are as follows:

FPE 30 September 2021:

Major suppliers	Type of product	Amount of purchases	% of total purchases	Length of business relationship (years)[1]
		(RM '000)		
Australian Dairy Farmers Corporation Ltd	Raw milk	44,299	26.9	Less than 1 year
Tetra Pak (Malaysia) Sdn Bhd	Packaging materials	8,392	5.1	More than 3 years
Min Tien & Co. Sdn Bhd	Animal feed and sugar	8,166	5.0	More than 8 years
Australian Consolidated Milk Pty Ltd	Milk powder	8,108	4.9	Less than 1 year
K.H. Plastic & Packaging (M) Sdn Bhd	Packaging materials	7,299	4.4	More than 8 years
Total		**76,264**	**46.3**	

FYE 31 March 2021:

Major suppliers	Type of product	Amount of purchases	% of total purchases	Length of business relationship (years)(1)
		(RM '000)		
Burra Foods Pty Ltd	Frozen milk	87,613	28.4	More than 7 years
Australian Dairy Farmers Corporation Ltd	Raw milk	37,837	12.3	Less than 1 year
Tetra Pak (Malaysia) Sdn Bhd	Packaging materials	28,367	9.2	More than 3 years
Fonterra Ingredients Limited	Milk powder	22,562	7.3	More than 4 years
Min Tien & Co. Sdn Bhd	Animal feed and sugar	10,369	3.4	More than 8 years
Total		**186,748**	**60.6**	

FYE 31 March 2020:

Major suppliers	Type of product	Amount of purchases	% of total purchases	Length of business relationship (years)(1)
		(RM '000)		
Burra Foods Pty Ltd	Frozen milk	60,217	22.6	More than 6 years
Tetra Pak (Malaysia) Sdn Bhd	Packaging materials	14,577	5.5	More than 2 years
Richmond Dairies Pty Ltd	Frozen milk	10,044	3.8	More than 7 years
Supplier A(2)	Extended shelf-life ("**ESL**") milk	8,695	3.3	More than 3 years
Min Tien & Co. Sdn Bhd	Animal feed and sugar	8,194	3.1	More than 7 years
Total		**101,727**	**38.3**	

FYE 31 March 2019:

Major suppliers	Type of product	Amount of purchases	% of total purchases	Length of business relationship (years)(1)
		(RM '000)		
Burra Foods Pty Ltd	Frozen milk	22,492	16.9	More than 5 years
Supplier B(3)	ESL milk	8,747	6.6	More than 2 years
K.H. Plastic & Packaging (M) Sdn Bhd	Packaging materials	7,443	5.6	More than 6 years
Richmond Dairies Pty Ltd	Frozen milk	6,507	4.9	More than 6 years
Yun Fook Resources Sdn Bhd	Raw milk	6,246	4.7	More than 3 years
Total		**51,435**	**38.7**	

Notes:

(1) Length of business relationship with our major suppliers is calculated based on the date our first purchases from the suppliers was recorded to the respective financial year.

(2) Supplier A is an Australian dairy company that supplies fresh chilled pasteurised milk within Australia and into the global market, with its largest market in South East Asia. Supplier A has refused our request to be identified as a major supplier.

(3) Supplier B is an Australian vertically integrated company in the beverage industry offering private label and co-packing capabilities, with a distribution network servicing 20,000 retail customers ranging from independents to Australia's largest retail chains. Supplier B has not responded to our request to be identified as a major supplier.

During the FYE 31 March 2019, 2020, 2021 and FPE 30 September 2021, our major suppliers mainly consisted of suppliers of raw materials and ingredients for our dairy farming business and suppliers of packaging materials for our milk processing business. Our top five major suppliers accounted for a range of 3.1% to 28.4% of our total purchases for FYE 31 March 2019, 2020, 2021 and FPE 30 September 2021.

Burra Foods Pty Ltd, our largest supplier for each of the FYE 31 March 2019, 2020 and 2021 accounted for 16.9%, 22.6% and 28.4% of our total purchases, respectively. Total purchases of frozen milk from Burra Foods Pty Ltd and Richmond Dairies Pty Ltd for our production of milk products represented 21.8%, 26.4%, and 28.4% of our total purchases for FYE 31 March 2019, 2020 and 2021, respectively. Historically, a larger portion of the frozen milk for our production of dairy products was purchased in processed form from external suppliers. We made the strategic decision to invest in a processing facility in Kyabram, Australia, which was commissioned in October 2020. This decision has diversified our supplier base as we are no longer restricted to purchasing from processed milk suppliers. Instead, we are also able to purchase raw milk from a wider pool of suppliers and process it in our Kyabram Facility. This has resulted in Burra no longer being our supplier in FPE 30 September 2021.

Since FYE 31 March 2020, Tetra Pak (M), a global supplier of UHT milk packaging systems for milk, fruit juices and other drinks, has been our main supplier of production equipment and product packaging materials. Purchases of packaging materials from Tetra Pak (M) accounted for 5.5%, 9.2% and 5.1% of our total purchases for the FYE 31 March 2020, FYE 31 March 2021 and FPE 30 September 2021, respectively.

We believe we have a collaborative and positive relationship with Tetra Pak (M), and have entered into a long-term supply agreement with Tetra Pak (M) for the supply of packaging materials and equipment to support our production needs. In particular, the packaging for our 200 ml UHT/ambient products is sourced solely from Tetra Pak (M), while the packaging for our 1 litre UHT/ambient products is sourced predominantly from Tetra Pak (M) as we are aware that all paperboard used in Tetra Pak (M) packaging comes from Forest Stewardship Council® ("**FSC®**") certified forests and other controlled sources. Therefore, by choosing to use FSC® certified packaging, we are supporting responsible management of the world's forests.

Until such time as we cease our purchasing from Tetra Pak (M), we are dependent on Tetra Pak (M) for the packaging for our 200 ml UHT/ambient products.

Save for Tetra Pak (M), on whom we are dependent for the supply of packaging for our 200 ml UHT/ambient products, we are not dependent on any suppliers in sourcing raw materials, ingredients and other packaging materials needed for our business as we typically maintain multiple suppliers for such materials and ingredients to minimise any potential disruption of our operations, maintain sourcing stability and secure competitive prices from suppliers. See Annexure E of this Prospectus for further details on the agreement with Tetra Pak (M).

7.8.3 **Credit management**

Credit terms to our customers

We generally extend credit terms of between seven days and 75 days to our customers. These credit terms may differ as we grant credit terms based on creditworthiness, level of risk involved, size of order, payment history records, length of relationship with the customer and other factors.

7.9 **Competition**

We are involved in the upstream, midstream, and downstream stages of the value chain. The dairy industry in Malaysia is highly competitive, with a wide range and diverse product offerings available in the market, from local to international brands. At the upstream level, we compete with international brands and local dairy commercial farmers. At the midstream and downstream levels, we compete with processors that source for raw milk from Malaysia and from overseas, and with a large number of brands/products that are manufactured either locally or internationally. Some of our competitors include brands of other Malaysian integrated producers, such as Kedah Dairy, Bright Cow, Eco-Fresh and Summerfield, and the brands of midstream and downstream manufacturers or distributors, such as Dutch Lady, Goodday, Marigold, Dairy Fresh and Greenfields.

We believe that our bio asset ownership, integrated business model, diversified product portfolio and flavours, and extensive multi-channel distribution network will continue to be the key factors in determining the success of our business. According to Frost & Sullivan, as at January 2022, we have the widest portfolio of locally-manufactured dairy products (namely, RTD milk products, yoghurt products and plant-based RTD milk products) amongst Malaysian integrated companies producing local dairy brands. We also own the AFS dairy breed, which is well primed for tropical dairy farming, according to Frost & Sullivan. We distribute our products through various channels, including large format retailers, stockists and home dealers, HORECA, convenience stores and overseas markets. We believe that these factors, amongst other factors, provide us with a competitive advantage over our competitors. See also Sections 7.2 and 8 of this Prospectus for further details.

7.10 **Materials and procurement**

The principal raw material used in the production of our dairy products is raw milk. During the FYE 31 March 2019, 2020, 2021 and FPE 30 September 2021, we purchased the majority of the raw milk required for our production from external suppliers in addition to using raw milk from our upstream dairy farming and milking operations to satisfy the internal demand from our production of milk products. Raw milk was ranked as our top purchase for the FYE 31 March 2019, 2020, 2021 and FPE 30 September 2021, where it accounted for 37.8%, 33.3%, 34.6% and 36.4% of our total purchases, respectively.

Historically, a larger portion of our milk for our production of dairy products was purchased in processed form from external suppliers. We made the strategic decision to invest in our Kyabram Facility in Australia, which was commissioned in October 2020. This decision has diversified our supplier base as we are no longer restricted to purchasing from processed milk suppliers. Instead, we are also able to purchase fresh milk from a wider pool of suppliers and process it in our Kyabram Facility.

The table below sets out our milk production from each farm for the financial years/periods indicated. In FPE 30 September 2021, we produced approximately 55.3% of our milk from our Greater Shepparton Farm in Australia.

Farm	FYE 31 March 2019		FYE 31 March 2020		FYE 31 March 2021		FPE 30 September 2021	
	Litres	%	Litres	%	Litres	%	Litres	%
Malaysia								
Muadzam Shah	6,051,342	32.7	5,522,689	23.1	5,118,532	22.5	3,476,551	28.8
UPM	22,050	0.1	689,657	2.9	985,347	4.3	586,920	4.9
Mawai	-	-	478,151	2.0	1,689,818	7.4	887,635	7.4
Desaru	729,745	3.9	1,242,604	5.2	1,112,189	4.9	367,001	3.0
Taiping	-	-	-	-	-	-	71,503	0.6
Malaysia total	**6,803,136**	**36.8**	**7,933,101**	**33.2**	**8,905,886**	**39.2**	**5,389,610**	**44.7**
Australia								
Greater Shepparton	11,708,372	63.2	15,940,974	66.8	13,805,289	60.8	6,674,046	55.3
Total	**18,511,508**	**100.0**	**23,874,075**	**100.0**	**22,711,175**	**100.0**	**12,063,656**	**100.0**

The table below sets out the source of our milk for the financial years indicated:

Source	FYE 31 March 2019		FYE 31 March 2020		FYE 31 March 2021		FPE 30 September 2021	
	Litres	%	Litres	%	Litres	%	Litres	%
Farm Fresh farms								
Muadzam Shah	6,051,342	23.4	5,522,689	12.4	5,118,532	7.3	3,476,551	9.2
UPM	22,050	0.1	689,657	1.6	985,347	1.4	586,920	1.6
Mawai	-	-	478,151	1.1	1,689,818	2.4	887,635	2.4
Desaru	729,745	2.8	1,242,604	2.8	1,112,189	1.6	367,001	1.0
Taiping	-	-	-	-	-	-	71,503	0.2
Greater Shepparton(1)	-	-	-	-	-	-	-	-
Internal total	**6,803,137**	**26.3**	**7,933,101**	**17.9**	**8,905,886**	**12.6**	**5,389,610**	**14.3**
External parties								
Malaysian third parties	3,745,860	14.5	3,352,670	7.5	3,045,727	4.3	773,131	2.1
Australian third parties	15,342,491	59.3	33,148,301	74.6	58,639,162 (2)	83.1	31,468,134	83.6
External total	**19,088,351**	**73.7**	**36,500,970**	**82.1**	**61,684,889**	**87.4**	**32,241,265**	**85.7**
Total source	**25,891,488**	**100.0**	**44,434,071**	**100.0**	**70,590,775**	**100.0**	**37,630,875**	**100.0**

Notes:

(1) We previously sold 100% of the raw milk we produced to external parties. We have, since end September 2021, stopped selling raw milk to external parties (save for instances where we have raw milk in excess of our processed milk requirements).

(2) Includes approximately 21 million litres of raw milk purchased from external parties in Australia. This signifies our shift towards purchasing only raw milk (rather than processed milk) in Australia, which will then be processed at our Kyabram Facility and sent to Malaysia to serve as a product ingredient.

In addition, we also purchase other materials such as animal feed, ingredients used in the production of our products as well as packaging materials from third party suppliers.

The principal materials that we use are generally widely available and sourced from local and foreign suppliers. The table below sets out certain information of our raw materials and their respective sources:

Materials	Principal sources
Raw milk	Malaysia and Australia
Animal feed	Malaysia, USA, Argentina, Brazil and Australia
Ingredients	Malaysia, New Zealand, Peru, Nigeria, Cameroon and Ghana
Packaging materials	Malaysia, Japan, China, India, Thailand and Singapore

We place purchase orders with our suppliers on a monthly basis and continually adjust volume, pricing and other terms over time. The price and availability of our raw materials are influenced by various factors including market supply and demand conditions, the quantity purchased and individual negotiations with our suppliers. The process of purchasing and obtaining raw materials takes between one and two months.

Our procurement team assesses and selects suppliers based on criteria including the quality of the raw materials supplied, pricing, reliability and punctuality of delivery. The procurement team typically conducts visits to certain suppliers' facilities and otherwise communicates with them on a regular basis to survey their new materials offerings and assess the quality of their raw materials. Once a suitable raw material and supplier are identified, our procurement team negotiates the supply arrangements.

See Section 12.2.2(ii) of this Prospectus for details on how the price and availability of raw materials have impacted our business and financial condition.

Our procurement policy requires multiple suppliers for each of our major materials to minimise any potential disruption of our operations, maintain sourcing stability and secure competitive prices from suppliers. During the FYE 31 March 2019, 2020, 2021 and FPE 30 September 2021, all of our major materials were sourced from multiple suppliers. We typically do not enter into long-term agreements with our suppliers, save for Tetra Pak (M).

We work closely with Tetra Pak (M), which provides our Group with product packaging materials for our 200 ml UHT/ambient products and 1 litre UHT/ambient products. See Section 14.6 of this Prospectus for further details.

We have entered into a long-term supply agreement with Tetra Pak (M) for the supply of packaging materials to support our production needs. We also source our other packaging materials for our dairy products from other domestic and foreign suppliers.

7.11 Seasonality

We have observed that our sales in Singapore and Malaysia generally increase during the period leading up to and during the Ramadan season. After the Ramadan season and during the December school holiday period, we have observed that our sales tend to slow down in Singapore and Malaysia.

There have been occasions in the past where our transport vehicle could not access our farms to collect the milk produced due to floods during the monsoon season. We have built up our storage capacity in the farms such that the milk can be stored longer to take into account any potential delays in transportation due to adverse weather conditions.

7.12 Research and development

We believe that R&D is critical in maintaining our market position and competitive edge, and to allow us to keep abreast of any technological advances in the dairy industry. As part of our innovation efforts, we also devote resources and time to developing new products to address consumers' evolving preferences or to improve existing products. As at the LPD, we have a team in charge of developing new products for our Company, which is led by our management team and assisted by several department heads and quality control staff.

We typically develop the prototype of any new product in-house, further to our understanding of the market and consumer preferences or knowledge gained from other industry players or suppliers, before carrying out the commercial testing and trials externally at a third-party provider. We may also occasionally solicit feedback from our employees for a new product. If a new product is deemed to be marketable, we then carry out production of such new products in small batches and launch such new products to the market. Depending on the market reaction to the new product, we then decide whether to mass produce the new product for sale. We also occasionally solicit public feedback and consultation on the overall taste of our products for product improvement prior to mass production.

An example of a product that we developed, tested and launched through our R&D process is our Kurma RTD milk product. We were the first local player to introduce Kurma (palm dates) RTD milk using pure Kurma extract in Malaysia in 2016. This new product has since grown in sales and contributed 18.2% of our revenue in FYE 31 March 2021 and 14.0% of our revenue in FPE 30 September 2021.

We carry out R&D efforts in the area of animal health and welfare through collaborations with tertiary institutions and scientific research firms, with the long term goals of lowering the cost of medicinal care for our herd, shifting resources to preventive care and to improve yields through increased animal wellbeing and productivity. Our ongoing research initiatives include a collaboration with a multinational pharmaceutical company to research the effect of certain chemicals on milk yield and nutrition of our herd, a collaboration with MARDI to explore remedies for sicknesses faced by dairy cows, and a collaboration with MARDI and UPM to strengthen dairy production capacity in Malaysia.

In addition to these collaborations, we have formed an in-house task force to conduct research on cross-breeding genetic technology, with the aim of enhancing our AFS herd for higher milk yields in tropical climates. The objective of this research task force is to improve the production capacity and quality of our herd. We are committed to sharing the results of this research with the Malaysian government within the framework provided by the National Dairy Industry Development ("**NDID**") programme. Also, see Section 7.5 of this Prospectus for further details.

7.13 Technology

We leverage on technology to improve productivity through our supply chain. We are in the process of implementing an Enterprise Resource Planning ("**ERP**") system for better integration of our operations, better management of inventory and improved monitoring of data, such as our manufacturing processes and movement of raw materials, leading to faster data reporting.

On our farms, we use imported milking systems, such as the rotary milking system employed at our Muadzam Shah Farm and Greater Shepparton Farm, which are highly automated and require minimal involvement of individual workers during the milking process, increasing milking efficiency and enabling us to milk a larger number of cows successively. We deploy somatic cell testing equipment for fast and accurate control of milk quality.

We have highly-automated machinery and modern processing lines in our processing facilities to automate repetitive tasks which speeds up our packing rate, enables our staff to perform more specialised tasks and reduces the likelihood of human error in the milk processing. Our Kyabram Facility is fully automated, with a control centre that oversees and manages the entire process flow from the receiving of raw milk to packaging, palletising and exporting to our Malaysian processing facilities.

We leverage technology in our distribution channels through the use of our mobile application called "My HomeDealer", which we use to track the network of home dealers and sub-agents, sales data, order data and the territories covered by the respective home dealers and sub-agents. In addition, we have installed data loggers in our delivery vehicles to optimise the delivery process, improve accountability and enhance our internal investigations into product quality issues arising from the delivery process.

7.14 Insurance

The insurance policies that we currently hold are customary in the industry in which we operate, and we review our insurance coverage annually. We do not have coverage for our biological assets as such insurance is not customary, very expensive in the jurisdictions where we operate and hence, not commercially viable for our business. Notwithstanding that our biological assets are not insured, our Directors believe that we have adequate insurance coverage for our business operations.

We have the following insurance policies in place:

- Fire insurance for our fixed assets, inventory, plant, machinery and equipment in relation to any damage caused by fire, aircraft and other aerial devices, earthquake, volcanic eruption, hurricane, cyclone, typhoon, windstorm, flood, bush/lalang fire, subsidence, landslide, explosion, impact damage, bursting or overflowing of water tanks or pipes, riot, strike, change of temperature from the disablement or destruction of the refrigerating plant/ incubating plant (this insurance is in place for some, but not all, of our subsidiaries);

- Fire consequential loss insurance for loss of our gross profit caused by fire, riot, strike and malicious damage (this insurance is in place for some, but not all, of our subsidiaries);

- Burglary insurance for office equipment, plant and machinery, building fixtures and fittings and stocks in relation to any loss or damage caused by burglary, hold up, strike, riot and civil commotion or theft (this insurance is in place for some, but not all, of our subsidiaries);

- Money insurance in relation to any loss of money and damage to premises/ locked safe/ strongroom/ drawer/ cabinet and other receptables caused by abscondment of money, duress or threats of violence or force or bodily harm, malicious damage, strike, riot or civil commotion (this insurance is in place for some, but not all, of our subsidiaries);

- Products liability – claim made notified insurance in relation to any legal liability to pay by way of compensation as a result of a claim for injury and/or damage in connection with the production, marketing and sale of goat and cow milk (this insurance is in place for some, but not all, of our subsidiaries);

- Public liability insurance for any bodily injury to or illness of any person, loss of or damage to property as a result of an accident happening in connection with our business and occurring within our premises (this insurance is in place for some, but not all, of our subsidiaries);

- Marine open cover insurance in relation to any loss or damage suffered to our goods, stocks, animal feed, machinery and spare part during import/export from or to any determined countries or inland transit (within Malaysia, Thailand and Singapore) (whether by land, sea, air, parcel, mail or courier);

- Fidelity guarantee insurance in relation to our stockists' employees including directors, temporary and contract workers and our employees including directors, cheque signatories, temporary and contract workers for any loss and damage caused by property damage, fraud or dishonesty of unidentifiable employee, fraudulent misappropriation, conversion and all other acts of fraud or dishonesty of goods or property, act of fraud or dishonesty of employees to the property held in trust on commission or on consignment (this insurance is in place for some, but not all, of our subsidiaries); and

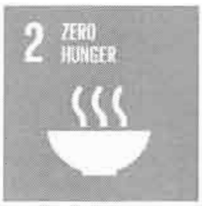
- Goods in transit insurance for loss or damage to our frozen milk, gable top carton, cap, alfalfa hay, animal feed, machinery, spare part, milk powder, raw milk and all other products related to our business during transit conveyed in our vehicle and/or our contractor's vehicles within Malaysia, Thailand and Singapore.

7.15 Sustainability

Our Board and our Group Chief Executive Officer provide stewardship towards incorporating sustainability into our business strategies, while the key senior management of our Group ensures that our sustainability agenda is applied to business decisions, such that the responsibility for the achievement of sustainability goals may be integrated throughout our Group's operations. Our sustainability efforts are anchored around three focus areas, namely quality dairy, stronger communities and healthier planet. We are focused on building strategies that would create value and drive impact in the long term to our stakeholders, including customers, employees, government and regulators, investors and local communities.

Our Group's sustainability work is influenced by our policies and code of conduct which is in line with the laws, regulations and best practices of Malaysia and the dairy industry. This includes our code of conduct and business ethics, which apply to all employees of our Group. These policies cover, amongst others, rules surrounding corrupt and unethical practices, policies regarding conflicts of interest, health, safety and environment, and whistleblowing policies.

From what we view as the core of our business, we have picked the following United Nations Sustainable Development Goals ("**Goals**") which we believe we currently have the greatest chances of impacting.



Goal 2:

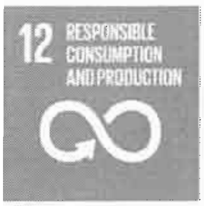
End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Goal 10:

Reduce inequality within and among countries

Goal 3:

Ensure healthy lives and promote well-being for all at all ages



Goal 12:

Ensure sustainable consumption and production patterns

Goal 7:

Ensure access to affordable, reliable, sustainable and modern energy for all

Goal 13:

Take urgent action to combat climate change and its impact

Goal 8:

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Goal 15:

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Goal 9:

Build resilient infrastructure, promote inclusive and sustainable industrialisation

We describe below how through our sustainability agenda and focus areas we can contribute to the specific Goals.

7.15.1 **Quality dairy**

We want to produce fresh products that meet the highest food and safety standards, whilst providing key nutritional needs through the maintenance of a healthy dairy livestock.

(i) *Producing healthy products:* Producing fresh and healthy dairy was our founding mission as a company and continues to drive our work today.

As at the LPD:

(a) all our products are free from preservatives and colouring;

(b) all our products offer an optimised percentage of total solid, including protein and fat content; and

(c) 18.8% of our portfolio of products comprises alternative milk products such as our organic A2 milk, kurma milk, lactose-free varieties and plant-based milk that cater to consumers' preferences and dietary requirements.

We intend to continue to explore ways to enhance the nutritional and functional benefits offered by all our products and carry out further research and development into new dairy- and non-dairy-based recipes. Our ambition is to work on more products that are part of the solution to the challenges today with nutritional needs. According to Frost & Sullivan, the consumption of milk and milk products per capita in Malaysia has grown at a CAGR of 0.4% from 2015 to 2020 and our goal is to drive change in society to increase dairy consumption while understanding the associated nutritional benefits. By introducing a product that is fresh and rich in protein, vitamins and minerals in the diets of children and adults, we can contribute to a positive impact for Goals 2 and 3.

(ii) *Animal health and welfare:* As our herd is the foundation of our success, we ensure that our cows and their offspring are well looked after and nutritiously fed. See Section 7.5 of this Prospectus for more details on our breeding process and the typical lifecycle of our milking cows.

We have identified animal welfare as a focus area to place even higher demands on our operations and our work with animals. In June 2021, our Muadzam Shah Farm, Mawai Farm, Desaru Farm and UPM Farm were the first farms in Asia to attain the internationally-recognised Certified Humane Raised and Handled Humane® certification, which certifies that the dairy products produced from these farms have come from operations that meet precise and objective standards for the humane treatment of farm animals.

As at the LPD:

(a) the majority of our milking cows in Malaysia and Australia have access to tunnel-ventilation barns and soakers for effective evaporative cooling to better manage heat stress prevalent in tropical climate, compost-bedding packs to provide comfort for lactating cows as well as routine hoof care and trimming to ensure that the hooves of all our animals are well trimmed and optimal for their weight distribution, balance and footing to ensure that they are able to stand and walk well at all times;

(b) all our cows are fed with grass planted on-site at our farms that is free of pesticides and organically fertilised using animal waste broken down through vermicomposting. Please refer to Section 7.15.3 of this Prospectus for further details of our regenerative agriculture activities;

(c) we are collaborating with UPM, MARDI and a multinational pharmaceutical company to innovate further improvements to animal health and welfare, specifically tailored to tropical climate; and

(d) we are conducting in-house research on genetics cross-breeding technology to enhance our AFS herd to achieve higher milk yields and better resilience in tropical climates.

We also intend to continue our work with tertiary institutions and research firms to develop improved animal health and welfare practices catered to tropical climates. The long-term goal of our research and development agenda is to lower the cost of medicinal care, shift resources to preventive care, and to improve milk yields through increased animal wellbeing and productivity. The results of our ongoing research initiatives are shared with local farmers in order to uplift the standards of local dairy production.

Further, we will remain focused on our research into cross-breeding targeting better milk yields. A potential breakthrough in this area could have a positive impact not only on our production volume and quality, but also that of the Malaysian dairy industry as a whole. We are committed to sharing the results of this research with the Malaysian government within the frameworks provided by the NDID programme.

By prioritising animal health and welfare for sustainable development, we would be able to contribute to several Goals, with Goal 12 being a key focus in our sustainability agenda.

(iii) *Food safety and quality:* We have a responsibility to consumers who place their trust in our products, and for the welfare of our employees and suppliers in ensuring that our products meet the highest food safety and quality control standards.

As at the LPD:

(a) all our production facilities in Malaysia and Australia are operated in accordance with the GMP and HACCP food safety and quality principles;

(b) all our staff in our production facilities are trained in HACCP and GMP food safety practices; and

(c) we have experienced zero product recalls due to safety reasons since 2014.

By ensuring that our products meet the highest food safety and quality standards, we are seeking a better functioning food production system and contributing to Goals 2, 3 and 12.

7.15.2 **Stronger communities**

Through our business and products, we have the opportunity to contribute to various levels of society, with the view to enabling lasting change to lives and livelihoods in communities around the country.

(i) *Local economy contribution:* We have a responsibility to share the benefits of our growth with local communities and enable human ambition and progress. In Malaysia, we offer employment and career advancement opportunities to rural and indigenous demographics near our farms. We also offer internship programmes through collaborations with local universities that enable young talent to gain first-hand experience in a commercial-level dairy company, with promising candidates being offered full-time employment with our Group. In addition, we empower all our partner-farmers with knowledge in areas including raw milk quality and also purchase their raw milk at market price. Further, we leverage on our products and reach to provide opportunities for rural and sub-urban micro-entrepreneurs to become distributors of our products through our home dealer network.

As at the LPD:

(a) 340 employees or 71% of total employees at our farms and processing facilities are recruited from rural and underserved communities, including 11 within the indigenous 'Orang Asli' community;

(b) 87 students from local universities, including University Putra Malaysia (37 students), Universiti Malaysia Sabah (10 students), Universiti Malaysia Kelantan (nine students), Universiti Teknologi MARA (eight students), Universiti Sultan Zainal Abidin (four students), Universiti Malaysia Terengganu (three students), University Kuala Lumpur (one student), Universiti Teknologi Malaysia (one student) and local colleges (14 students) have benefitted from participating in our internship programme since 2019;

(c) 125 of our partner-farmers have generated additional income as a result of our purchases of raw milk from them at market prices. In addition, we have also transferred knowledge to our partner-farmers through mentorship, including providing them access to technical support at all stages of the production process; and

(d) our home dealer programme encompasses 45 stockists spanning all the states in Malaysia, and more than 906 home dealers who in turn manage 1,772 agents of theirs across the country. These stockists, home dealers and sub-agents who earn an income for distributing our products within their communities as micro-entrepreneurs have benefitted from our growth over the years. Our sales to stockists (who on-sell our products to home dealers who, in turn, sell the products to end consumers or other sub-agents) contributed 19%, 29%, 35% and 31% of our total revenue for the FYE 31 March 2019, FYE 31 March 2020, FYE 31 March 2021 and FPE 30 September 2021, respectively. Furthermore, we empower women in the community as 80% of the micro-entrepreneurs are women.

We have purchased raw milk from our partner-farmers since 2011 to promote the sustainable growth of the dairy industry at the grassroots level. Ultimately, this will have the effect of raising national dairy production levels in line with the Malaysian Government's aspiration to boost the local production of fresh milk. In addition, our strategy to expand our product portfolio will provide further opportunities to grow our home dealer network, which can further improve the livelihood and income of home dealers. As we continue our expansion in Malaysia, we plan to appoint more stockists, and in the process increase female representation within our home dealer network through roadshows and other outreach avenues.

In 2021, we launched our Farm Fresh Scholarship Programme for indigenous students at the East Coast Economic Region to help Orang Asli children to succeed in education by providing educational and financial support at the primary, secondary and university levels. We also plan to provide employment opportunities with us after the completion of this 11-year programme. For the first pilot batch, we will select the top 20 Orang Asli students from Standard 5 and Standard 6 at 5 local schools in the district of Rompin where our Muadzam Shah site is located, and provide financial and educational support.

The objective is to have 80% of the selected Orang Asli students successfully pursue university studies and 100% of the selected Orang Asli students subsequently given the opportunity to work with us. We are committing RM852,000 for the scholarship programme and will commence selection of students in February 2022 together with East Coast Economic Region Development Council, District Education Office and the headmasters of the schools. We aspire to expand this subsequently to another 24 schools in other districts in Pahang. We strongly believe that this scholarship programme will benefit the economic, educational and social status of the indigenous Orang Asli.

Through our work in empowerment programmes that generate economic opportunity, improve livelihoods and enable social change for members of our community and rural populations as a whole, we are focused on making a significant contribution to Goals 8, 9 and 10.

(ii) *Youth outreach:* The choice of food and drink served in our schools is of significance to the lives of our children and future generations. Since 2018, we have stewarded two ongoing school programmes that are aligned with our vision of promoting better nutrition and health amongst youth. Specifically, we have been working with the Malaysian Ministry of Education and the MOH in their Amalan Perkhidmatan Kantin Terbaik (Best Canteen Service Practices) campaign, which aims to raise awareness on the importance of healthy, safe, and hygienic food practices in schools, while educating students about the importance of consuming foods that are free of preservatives, colourings and added sugar. In addition, we have also been supplying our 200 ml UHT chocolate milk packets to primary school students from rural areas and low-income households as part of the Malaysian Ministry of Education's Rancangan Makanan Tambahan (RMT) (Supplementary Food Programme).

As at the LPD:

(a) 64 schools have taken part in the Amalan Perkhidmatan Kantin Terbaik campaign since 2018; and

(b) 6,178,020 packets of milk have been distributed to 205,934 students across 2,987 schools under the Rancangan Makanan Tambahan supplementary food programmes.

Taking an active role in the Malaysian Government's supplementary food programmes and nutrition campaigns gives us the opportunity to create interest, engagement and dialogue with youth about the importance of health and balanced nutrition. With this work we can contribute positively to Goal 3, increase knowledge to limit malnutrition and work towards good health and well-being.

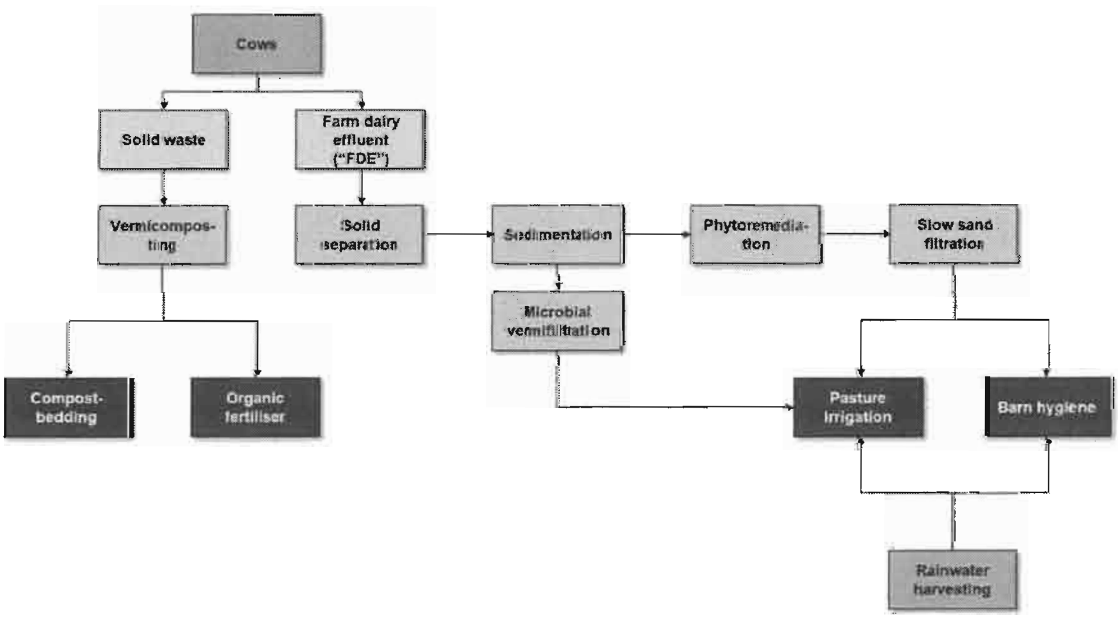
7.15.3 **A healthier planet**

A big part of our environmental impact arises in our dairy farming operations and associated land use, as well as further downstream in our Group's operations. Therefore, it is important for us to work on improvements in these areas.

(i) *Regenerative agriculture and water management:* As raw milk production is a significant part of our business, we want to strive to towards circular systems in our farm operations and in a resource efficient manner. Since 2014, we have implemented regenerative agriculture processes at our Muadzam Shah Farm and UPM Farm that focus on the treatment of solid animal waste and liquid animal waste for reuse in our operations.

We use vermiculture (earth worm farming) to recycle organic waste into bio-fertiliser. These practices have been developed with two key outcomes: (1) minimising the non-recyclable organic waste generated by our farms and (2) maximising the use of natural resources that we have access to. This is reflected in our company-wide drive towards "sustainable dairy farming", which aims to remove dependency on external input such as chemical fertilisers and to instead use waste generated by livestock as the basis for organic enrichment of soil and pasture as vermicompost is expected to enhance overall plant growth and increase microbial activity in the soil, while improving physical characteristics of the soil such as water holding capacity, aeration, and porosity, of which all benefit soil fertility.

Specifically, through a process of vermicomposting, we utilise treated solid waste (1) to form part of the mix for animal bedding, increasing our herd comfort and health and (2) as organic fertiliser for grass grown at both farms, which in turn forms a major component of the feed provided to our cows. We also treat liquid animal waste to aid with pasture irrigation and use it together with recycled rainwater for washing and flushing of our barns. Through the adoption of these practices, we have diverted animal waste discharge from landfills and sewerage systems, indirectly reducing the amount of methane released into the environment through landfill decomposition and the use of chemicals to treat waste in the sewerage systems. Concurrently, we benefit from a reduced reliance on external sources of water for our operations, and usage of chemical fertilisers, which are known to degrade soil health. The chart below outlines various components of our regenerative agriculture practices:



Our goal is to implement regenerative agriculture practices across all our farms within the next three years. We have started this by implementing rainwater harvesting and tube well pumping systems across all our farms for a significant portion of our water needs. To complement our carbon footprint reduction and animal waste recycling initiatives, we target to establish our first bio-gas plant at our Muadzam Shah Farm which will use our farm-sourced manure to produce biofuel for our operations commencing from 2022. For our Taiping Farm, we have allocated an area to construct a bio-gas plant and have plans to commission a rooftop solar TV project for our Taiping Farm. We also expect to commission a 2.2 MWp rooftop solar PV project by the first quarter of 2022 for both our Larkin and Muadzam Shah locations.

By undertaking the abovementioned sustainable farming practices, we are looking to contribute to a positive impact for several of the Goals, such as Goal 2, of promoting sustainable agriculture, Goal 12, of sustainable consumption and production patterns and Goal 15, on reducing the degradation of natural habitats and stimulating biodiversity.

(ii) *Climate action*: We have a responsibility to reduce our climate impact as our agricultural and manufacturing activities consume substantial energy and result in GHG emissions.

In July 2021, we completed a Group-wide carbon footprint inventory exercise based on the GHG Protocol Corporate Accounting and Reporting Standard.

The total emissions consist of:

- Scope 1 GHG emissions, comprising mainly direct emissions from machinery, equipment and motor vehicles operated at the farms and processing facilities, as well as enteric fermentation, manure management, and soil management at the farms;
- Scope 2 GHG emissions, including indirect emissions related to the electricity purchased and consumed by the machinery and equipment at the farms and processing facilities; and
- Scope 3 GHG emissions, comprising mainly indirect emissions that are not recognised in Scope 2 – emissions from business travel including by car, train and flight.

Based on the exercise, our total GHG for calendar year 2020 is 47,440 metric tons of Carbon Dioxide equivalent ("**tCO_2eq**"). 67% of our emissions or 31,884 tCO_2eq are from our farms and 33% or 15,556 tCO_2eq are from our manufacturing plants.

As our farms contribute to most of our greenhouse gas emissions, we have compared the average GHG of our farms in 2020 with the report issued by the Food and Agriculture Organization of the United Nations and Global Dairy Platform Inc. in 2019 ("**FAO Report**"). Based on the FAO Report, our Malaysian farms have an emission intensity of 2.4kg CO_2eq / kg fat-and-protein-corrected-milk ("**FPCM**") in 2020, which is 27% lower than Asia's 2015 average published in the FAO Report, while our Australian farms have an emission intensity of 0.7kg CO_2eq / kg FPCM, which is 47% lower than Oceania's 2015 average published in the FAO Report.

We do not have a ready benchmark for our manufacturing plants. Nevertheless, we have set a target for a reduction of 25% of our greenhouse gas emissions in five years, i.e. an average reduction of 5% per annum, with the planned rooftop solar PV project, bio-gas plant and other planned carbon reduction initiatives. The bio-gas plant is planned to be ready by the end of 2022. The actual reduction will be reported in future Sustainability Reports of our Company.

In 2021, we gave ourselves a target of a 21% total Scope 1 and Scope 2 emissions reduction by 2026, primarily through the use of renewable energy. Given that Scope 3 emissions represented less than 1% of our total GHG emissions, we considered the environmental impact as less significant.

We expect our reduction strategies to be implemented in phases, starting in 2022 with the commissioning of a 2.2 MWp commercial-grade solar farm across our Muadzam Shah Farm, Muadzam Shah Facility and Larkin Facility, and the replacement of existing anaerobic lagoons with anaerobic digestion tanks at our Muadzam Shah Farm, which would enable us to use our farm-sourced manure to produce biofuel for our operations. Furthermore, we plan to install solar thermal systems to reduce the use of diesel for our boiler and generator units. Barring any changes to our plans, we aim to convert the existing anaerobic lagoons at our Mawai Farm, Desaru Farm, and UPM Farm into anaerobic digestion tanks as well, such that the operational reductions we intend to make from 2022 to 2026 as a whole would enable us to achieve our GHG reduction target. We also intend to explore other energy efficient improvements that go beyond 2026, including potential emissions reduction for our Greater Shepparton Farm and Kyabram Facility in Australia.

By undertaking sustainable farming practices that consume less resources and taking steps to change the way our largest farm consumes energy, we are looking to contribute to a positive impact for several of the sustainable development goals, such as Goal 2, of promoting sustainable agriculture, Goal 7, of usage of renewable energy in our farm's energy mix and Goal 12, of sustainable consumption and production patterns. Minimising greenhouse gas emissions and stimulating biodiversity are other important elements of our work, as we seek to contribute towards Goal 13, of combating climate change and Goal 15, on reducing the degradation of natural habitats and halting the loss of biodiversity.

(iii) *Sustainable packaging*: When it comes to the environmental impact of our reliance on packaging materials, there are various factors to consider, including the origin of raw materials, materials consumption, manufacturing processes and recyclability, as well as the ability of the packaging to contribute to the reduction of food waste, more efficient transport and increased food shelf life. Thus, as we expand our business in Malaysia and Australia, including into potential overseas markets in the future, we recognise a need to increase our focus on sustainably sourced packaging.

Our work on this began in 2018, when we commenced purchasing fully recyclable paper packaging from Tetra Pak (M) for our UHT products. All paperboard used in Tetra Pak (M) packaging comes from FSC® certified forests and other controlled sources. Tetra Pak's full FSC® Chain of Custody certification for all its operations (FSC® C014047) (evidenced by the FSC® on-product label on packaging supplied by Tetra Pak (M)) gives us, and our customers, assurance that our UHT products packaging from

Tetra Pak (M) has been responsibly sourced and produced according to the standards set by the FSC® throughout the value chain.

By choosing to use FSC®-certified packaging, we are supporting responsible management of the world's forests, and indirectly contributing to the Goals, with the most direct contribution to Goal 12 on responsible consumption and production, and Goal 15 on sustainable forest management. Our products which use Tetra Pak (M) packaging make up 33% and 28% of our total revenue for FYE 31 March 2021 and FPE 30 September 2021, respectively.

Going forward, we intend to increase the percentage of our packaging requirements, including the 200 ml and 1L packaging, from Tetra Pak (M). In 2021, subject to restriction controls being relaxed by the Government of Malaysia, we plan to launch a recycling education centre in our UPM Farm, in collaboration with Tetra Pak (M), which will be open to the public. To further our commitment towards the growth of the circular economy, we will also continue to invest in creating school-based campaigns that educate students on the importance of recycling.

Further, we have plans in the next two to three years to develop area-specific sustainability criteria for suppliers with a focus on ingredients and packaging materials. The goal is for a significant portion of our Group's key suppliers to be evaluated and reviewed according to sustainability assessment templates that have been prepared, before new contracts are entered into. By working with our suppliers who are committed to packaging made from sustainable sources, and promoting the habit of recycling in early childhood, we can address Goal 12, on responsible production and consumption.

7.16 **Health and safety**

We place significant emphasis on the health and safety of our employees, contractors and company visitors. The core responsibility of ensuring this lies with our management, which is aligned with our business agenda to ensure a healthy and productive human resource and work environment.

These objectives are achieved through the following exercises and goals:

- Safe environment at workplace – apart from our safety officer who monitors personnel safety, there shall be a periodic safety audit of our factory premises to ensure that the premises are maintained as a safe environment of work.

- Safe working practices – standard operating procedures of work shall reflect safe working practices to reduce the possibility of harm to our employees, visitors and contractors.

- Safety awareness – to create awareness of the importance of safety in employees through orientation programmes in the initial stage of their employment.

- Provision of PPE – Personal Protection Equipment shall be provided to all employees when necessary to ensure their safety and health at the workplace.

- Management Support – our management shall direct and support all actions, exercises towards securing the safety, health and environment of company employees, company visitors and contractors and exhaust reasonable and practicable means towards attaining that said goal.

To achieve these objectives, we are committed to:

(a) ensuring that every employee is aware of the existence and understands the effect of our safety programmes through adequate training;

(b) providing on-the-job training to our employees;

(c) ensuring that it is every employee's responsibility to maintain and abide to the safety practices, procedures, rules and regulations that have been adopted and drafted by the Safety, Health and Environment Committee members; and

(d) ensuring that Safety, Health and Environment practices, procedures, rules and regulations are scrutinised, reviewed and updated from time to time.

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7.17 Major licences, permits and approvals

Our Directors confirm that, as at the LPD, save for the non-compliance incidents set out below, we have obtained all the major licences, permits and approvals which our Group is dependent on for our business operations in Malaysia and Australia (as set out in Annexure A of this Prospectus), and have complied with the conditions of such major licences, permits and approvals.

7.17.1 Non-compliances in respect of our Mawai Farm

(i) Land non-compliance

No.	Nature of non-compliance	Status as at the latest practicable date	Estimated time for rectification	Estimated cost to rectify	Potential maximum penalty	Impact to business operations or financial condition
1.	Breach of express condition of land Gem Organics, the registered owner of a piece of land held under HSD 24448, PTD 2975, Mukim Ulu Sungei Sedeli Besar, Daerah Kota Tinggi, Johor ("**PTD 2975**") has leased PTD 2975 to FFMSB for the rearing of dairy goats and cows and the production, marketing and sale of goat's milk and cow's milk. The current usage by FFMSB on PTD 2975 is a breach of the express condition set out in the land title of PTD 2975 which provides that the land shall be used for the plantation of herbs and spirulina only.	Gem Organics had on 30 September 2020 through its appointed consultant (who is a licenced land surveyor), submitted an application to Pentadbir Tanah Daerah Kota Tinggi to amend the express condition of PTD 2975 from "plantation of herbs and spirulina only" to "plantation of herbs and spirulina / dairy farming". The application is currently pending approval from Pentadbir Tanah Daerah Kota Tinggi.	Second quarter of 2022, but in any event, Gem Organics endeavours to obtain the approval prior to listing. If the approval is not obtained prior to listing, the status of the non-compliance will be disclosed in Farm Fresh's quarterly report.	RM110,000	The relevant authority may either forfeit the land, specify the action required to remedy the breach or impose a fine of not less than RM500 and in the case of a continuing breach, a further fine of not less than RM100 for each day during which the breach continues. *Sections 127, 128 and 129 of the National Land Code.*	No material adverse impact to our Group's business operations and financial condition because in the event the relevant authority makes an order to forfeit PTD 2975, FFMSB will shut down our Mawai Farm and relocate its operations to our Muadzam Shah Farm and Desaru Farm. The relocation cost is estimated to be around RM500,000. As both an alternative and an additional mitigation step, FFMSB is also able to source and purchase additional raw milk from third party farmers in Malaysia and Australia to meet the shortfall in its production demands, if any, until such time our Mawai Farm is able to resume operations. For the FPE 30 September 2021, the contribution of raw milk output from our Mawai Farm as a percentage of our Group's total production requirement is about 2.4%. The estimated cost to rectify plus the possible penalty applicable is less than 0.2% of our Group's FYE 31 March 2021 PBT.

(ii) Building non-compliances

No.	Nature of non-compliance	Status as at the latest practicable date	Estimated time for rectification	Estimated cost to rectify	Potential maximum penalty	Impact to business operations or financial condition
1.	Development of farm without planning permission, construction of buildings without building plan approval, occupation of buildings without CCC, operating the farm without business premise licence, and provision of accommodation to employees without certificate for accommodation FFMSB has developed our Mawai Farm by constructing the detached house, workers quarters, cow sheds, cow barns, calf pens. rapid exit milking station, feed store and raw material sheds at our Mawai Farm without first obtaining a planning permission from the relevant authority. The aforesaid buildings constructed at our Mawai Farm have not been issued with a certificate of completion and compliance ("**CCC**") as the issuance of the CCC is preceded by the	FFMSB had on 19 April 2021 and 11 June 2021 appointed professional engineer and licenced land and engineering surveyors respectively as consultants to handle the application for planning permission to the relevant authority. The consultants are currently finalising the application for submission, which is expected to be made by the end of March 2022. Upon the issuance of the planning permission by the relevant authority, FFMSB will submit the building plan for approval by the relevant authority. FFMSB will obtain the CCC after the building plan approval has been granted by the relevant authority. Once the CCC for the buildings constructed	The approval for planning permission is expected to be obtained within 3 months from the date of submission of the application. If the approval for planning permission is not obtained prior to listing, the status of the non-compliance will be disclosed in Farm Fresh's quarterly report.	RM350,000	Development of our Mawai Farm without a planning permission FFMSB (including its Directors and officers) may on conviction be liable to a fine not exceeding RM500,000 or to imprisonment for a term not exceeding 2 years or to both and, in the case of a continuing offence, to a further fine which may extend to RM5,000 for each day during which the offence continues after the first conviction for the offence. Additionally, the relevant authority may require both the owner (being Gem Organics) and the occupier of the land (being FFMSB) to restore the land as far as possible to the condition it was in before the development was commenced, undertaken, or carried out. *Sections 26(1)(b), 27(2) and 52A of the Town and Country Planning Act 1976.*	No material adverse impact to our Group's business operations and financial condition because in the event FFMSB is required to cease its operations at our Mawai Farm, FFMSB will relocate our Mawai Farm's operation to our Muadzam Shah Farm and Desaru Farm. The relocation cost is estimated to be around RM500,000. As both an alternative and an additional mitigation step, FFMSB is also able to source and purchase additional raw milk from third party farmers in Malaysia and Australia to meet the shortfall in its production demands, if any, until such time our Mawai

No.	Nature of non-compliance	Status as at the latest practicable date	Estimated time for rectification	Estimated cost to rectify	Potential maximum penalty	Impact to business operations or financial condition
	planning permission and building plan approval to be granted by the relevant authority. In addition, FFMSB is required to obtain a business premise licence to operate the Mawai Farm and certificate for accommodation for its workers' quarters from the relevant authorities. However, FFMSB is currently unable to apply for the business premise licence to operate the Mawai Farm and certificate for accommodation for its workers' quarters as one of the documents required for such applications is the CCC issued for such buildings.	at the Mawai Farm has been issued, FFMSB will apply for the business premise licence to operate the Mawai Farm and certificate for accommodation for its workers' quarters.			<u>Construction of buildings without building plan approval</u> FFMSB may be liable on conviction to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding three years or to both and shall also be liable to a further fine of RM1,000 for every day during which the offence is continued after conviction. *Section 70(13) Street, Drainage and Building Act 1974.* <u>Occupation of buildings without CCC</u> Gem Organics (as the registered owner of the land) and FFMSB may be liable on conviction to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 10 years or to both. Additionally, the local authority may order for any such buildings without a CCC to be demolished. *Sections 70(27)(f) and 72 Street, Drainage and Building Act 1974.*	Farm is able to resume operations. For the FPE 30 September 2021, the contribution of raw milk output from our Mawai Farm as a percentage of our Group's total production requirement is about 2.4%. The estimated cost to rectify plus the possible penalty applicable is less than 1.8% of our Group's FYE 31 March 2021 PBT.

No.	Nature of non-compliance	Status as at the latest practicable date	Estimated time for rectification	Estimated cost to rectify	Potential maximum penalty	Impact to business operations or financial condition
					Operating our Mawai Farm without a business premise licence FFMSB may be liable on conviction to a fine not exceeding RM2,000 or to imprisonment for a term not exceeding 1 year or to both. Additionally, the relevant authority has the power to issue an order to close down any premise which operates without the requisite business premise licence. *By-laws 3(3) and 49(2) of the Licensing of Trades, Businesses, and Industries (Kota Tinggi District Council By-Laws 2017.* Accommodation provided by FFMSB to its employees is not certified with a certificate for accommodation FFMSB (including its Directors and officers) may be liable on conviction to a fine not exceeding RM50,000. *Sections 24D(3) and 29A of the Employees' Minimum Standards of Housing and Amenities Act 1990.*	

(iii) Operational non-compliances

No.	Nature of non-compliance	Status as at the latest practicable date	Estimated time for rectification	Estimated cost to rectify	Potential maximum penalty	Impact to business operations or financial condition
1.	Abstraction of water without a water abstraction licence FFMSB is abstracting spring water at a creek at our Mawai Farm. In Johor, water abstraction requires a water abstraction licence under Section 7(1) of the Johor Waters Enactment 1921.	FFMSB had on 11 April 2021 through its appointed consultant (who is a groundwater, well design & construction specialist) submitted an application for water abstraction licence to the relevant authority. The application is currently pending approval from the relevant authority.	Second quarter of 2022. If the water abstraction licence is not obtained prior to listing, the status of the non-compliance will be disclosed in Farm Fresh's quarterly report.	RM5,000	FFMSB (including their Directors and officers) may be liable on conviction to a fine not exceeding RM300,000 or to imprisonment for a term not exceeding 3 years or to both. *Sections 7(6) and 17(1) of the Johor Waters Enactment 1921.*	No material adverse impact to our Group's business operations and financial condition because in the event FFMSB is required to cease abstracting spring water from the creek at our Mawai Farm, FFMSB will relocate its entire Mawai Farm's operations to our Muadzam Shah Farm and Desaru Farm as there is no source-to-tap water to our Mawai Farm by the water utility provider. The relocation cost is estimated to be around RM500,000. As both an alternative and an additional mitigation step, FFMSB is also able to source and purchase additional raw milk from third party farmers in Malaysia and Australia to meet the shortfall in its production demands, if any, until such time our Mawai Farm is able to resume operations. For the FPE 30 September 2021, the contribution of raw milk output from our Mawai Farm as a percentage of our Group's total production requirement is about 2.4%. The estimated cost to rectify plus the possible penalty applicable is less than 0.5% of our Group's FYE 31 March 2021 PBT.

7.17.2 Non-compliances in respect of our Muadzam Shah Farm

(i) Building non-compliances

No.	Nature of non-compliance	Status as at the latest practicable date	Estimated time for rectification	Estimated cost to rectify	Potential maximum penalty	Impact to business operations or financial condition
1.	Construction of buildings without building plan approval and occupation of building without CCC 14 barns had been constructed at our Muadzam Shah Farm prior to obtaining the building plan approval and have not been issued with a CCC as the issuance of the CCC is preceded by the building plan approval to be granted by the relevant authority.	Farm Fresh had on 27 October 2020 appointed a professional engineer as consultant to handle the application for the development of our Muadzam Shah Farm (which includes the planning permission approval, building plan approval and CCC). Farm Fresh had obtained the planning permission on 4 October 2021. The submission of the building plan approval requires the planning permission to be first endorsed by the relevant authority. Farm Fresh had on 8 December 2021 submitted the planning permission to the relevant authority and the planning permission was endorsed by the relevant authority on 16 December 2021. The consultants are currently finalising the documents required for the submission of the application for building plan approval. The application	The building plan approval for is expected to be obtained within 3 months from the date of submission of the application, but in any event, Farm Fresh endeavours to obtain the building plan approval prior to listing. If the building plan approval is not obtained prior to listing, the status of the non-compliance will be disclosed in Farm Fresh's quarterly report.	RM286,510[(1)]	Construction of buildings without building plan approval Farm Fresh may be liable on conviction to a fine not exceeding RM50,000[(1)] or to imprisonment for a term not exceeding three years or to both and shall also be liable to a further fine of RM1,000[(1)] for every day during which the offence is continued after conviction. *Section 70(13) Street, Drainage and Building Act 1974.* Occupation of building without CCC Farm Fresh may be liable on conviction to a fine not exceeding RM250,000[(1)] or to imprisonment for a term not exceeding 10 years or to both. Additionally, the local authority may order for any such buildings without a CCC to be demolished. *Sections 70(27)(f) and 72 Street, Drainage and Building Act 1974.*	No material adverse impact to our Group's business operations and financial condition because in the event Farm Fresh is required to cease using the barns, Farm Fresh will relocate the moveable fixture and biological assets at the barns to our Mawai Farm, Desaru Farm or UPM Farm. The relocation cost is estimated to be around RM95,000. For the FPE 30 September 2021, the contribution of raw milk output from our Muadzam Shah Farm as a percentage of our Group's total production requirement is about 9.2%. The estimated cost to rectify plus the possible penalty applicable is less than 0.9%[(1)] of our Group's FYE 31 March 2021 PBT.

No.	Nature of non-compliance	Status as at the latest practicable date	Estimated time for rectification	Estimated cost to rectify	Potential maximum penalty	Impact to business operations or financial condition
		is expected to be made by 28 February 2022. Farm Fresh will obtain the CCC after the building plan approval has been granted by the relevant authority.				

7.17.3 Non-compliances in respect of our Taiping Farm

(i) Building non-compliances

No.	Nature of non-compliance	Status as at the latest practicable date	Estimated time for rectification	Estimated cost to rectify	Potential maximum penalty	Impact to business operations or financial condition
1.	Construction of buildings without building plan approval, occupation of buildings without CCC, and operating the farm without business premise licence Farm Fresh is developing our Taiping Farm without a building plan approval from the relevant authority. As part of the development of our Taiping Farm, cow barns, feed store and raw material sheds have been constructed and	Farm Fresh had on 20 October 2020 appointed a civil and structural engineer as consultant to handle the application for the development of Taiping Farm (which includes the planning permission approval, building plan approval and CCC). Farm Fresh had obtained the planning permission approval to develop our Taiping Farm on 23 July 2021. The submission of the building plan approval requires the	The building plan approval is expected to be obtained within 3 months from the date of submission of the application, but in any event, Farm Fresh endeavours to obtain the building plan approval prior to listing. If the building plan approval is not obtained prior to	RM260,000	Construction of buildings without building plan approval Farm Fresh may be liable on conviction to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding three years or to both and shall also be liable to a further fine of RM1,000 for every day during which the offence is continued after conviction. *Section 70(13) Street, Drainage and Building Act 1974.*	No material adverse impact to our Group's business operations and financial condition because in the event Farm Fresh is required to cease its dairy farming operation at our Taiping Farm, Farm Fresh will relocate its Taiping Farm's operations to our Muadzam Shah Farm. The relocation cost is estimated to be around RM10,000. There is no significant impact to the financial condition of Farm Fresh in view that

No.	Nature of non-compliance	Status as at the latest practicable date	Estimated time for rectification	Estimated cost to rectify	Potential maximum penalty	Impact to business operations or financial condition
	Farm Fresh has started its dairy farming operation at our Taiping Farm. The aforesaid buildings constructed at our Taiping Farm have not been issued with a CCC as the issuance of the CCC is preceded by the building plan approval to be granted by the relevant authority. In addition, Farm Fresh is required to obtain a business premise licence to operate our Taiping Farm. Farm Fresh is currently unable to apply for a business premise licence to operate our Taiping Farm as one of the documents required for the application for business premise licence is the CCC issued for the buildings constructed at our Taiping Farm.	planning permission to be first endorsed by the relevant authority. Farm Fresh had on 27 October 2021 submitted the planning permission to the relevant authority. The planning permission was endorsed by the relevant authority on 3 December 2021. Farm Fresh had on 11 January 2022 submitted the application for building plan approval for three barns and a processing facility to be constructed at our Taiping Farm and is currently pending approval from the relevant authority. The consultant is currently finalising the documents required for the submission of the application for building plan approval for the remaining structures to be constructed at our Taiping Farm and the application is expected	listing, the status of the non-compliance will be disclosed in Farm Fresh's quarterly report.		<u>Occupation of buildings without CCC</u> Federal Land Commissioner (as the registered owner of the land) and Farm Fresh may be on conviction liable to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 10 years or to both. Additionally, the local authority may order for any such buildings without a CCC to be demolished. *Sections 70(27)(f) and 72 Street, Drainage and Building Act 1974.* <u>Operating a farm without a business premise licence</u> Farm Fresh may be liable on conviction to a fine not exceeding RM2,000 or to imprisonment for a term not exceeding 1 year or to both and to a further fine of not exceeding RM200 for each day during which the offence continued after conviction.	our Taiping Farm has yet to contribute any revenue to Farm Fresh. For the FPE 30 September 2021, the contribution of raw milk output from our Taiping Farm as a percentage of our Group's total production requirement is about 0.2%. The estimated cost to rectify plus the possible penalty applicable is approximately 0.9% of our Group's FYE 31 March 2021 PBT.

No.	Nature of non-compliance	Status as at the latest practicable date	Estimated time for rectification	Estimated cost to rectify	Potential maximum penalty	Impact to business operations or financial condition
		to be made by the end of March 2022. Farm Fresh will obtain the CCC after the building plan approval has been granted by the relevant authority. Once the CCC for the building constructed at our Taiping Farm has been issued, Farm Fresh will apply for the business premise licence to operate our Taiping Farm.			Additionally, the relevant authority has the power to issue an order to close down any premise which operates without the requisite business premise licence. *By-laws 3(2) and 43 of the Licensing of Trades, Businesses, and Industries (Taiping Municipal Council) By-Laws 2017.*	

7.17.4 **Non-compliances in respect of our UPM Farm**

(i) Building non-compliances

No.	Nature of non-compliance	Status as at the latest practicable date	Estimated time for rectification	Estimated cost to rectify	Potential maximum penalty	Impact to business operations or financial condition
1.	Occupation of buildings without CCC The UPM-Farm Fresh ICoE (comprising cow barns, rapid exit milking station, warehouse, solid separator, worm faming	Farm Fresh had on 16 February 2021 through its appointed consultant (who is a professional engineer) submitted an	The CCC is expected to be obtained by the end of March 2022, but in any event, Farm Fresh endeavours to	RM250,000	Occupation of buildings without CCC Farm Fresh may be liable on conviction to a fine not exceeding RM250,000 or to imprisonment for a	No material adverse impact to our Group's business operations and financial condition because in the event Farm Fresh is required to cease occupying the building constructed at our UPM Farm, Farm Fresh will relocate its UPM Farm's operations to our Muadzam Shah Farm, Desaru

No.	Nature of non-compliance	Status as at the latest practicable date	Estimated time for rectification	Estimated cost to rectify	Potential maximum penalty	Impact to business operations or financial condition
	house, milk processing facility, office, retail & café shop, compost barn, canopy, viewing room, fish conservatory, koi pond, pump house, water tank and toilet) was constructed at our UPM Farm prior to obtaining the building plan approval and the UPM-Farm Fresh ICoE has not been issued with a CCC as the issuance of CCC is preceded by the building plan approval to be granted by the relevant authority.	application for building plan approval to the relevant authority. The application for building plan approval has been approved by the relevant authority on 24 November 2021. Farm Fresh is in the process of obtaining the CCC and the CCC is expected to be obtained by the end of March 2022.	obtain the CCC prior to listing. If the CCC is not obtained prior to listing, the status of the non-compliance will be disclosed in Farm Fresh's quarterly report.		term not exceeding 10 years or to both. Additionally, the local authority may order for any such buildings without a CCC to be demolished. *Sections 70(27)(f) and 72 Street, Drainage and Building Act 1974.*	Farm or Taiping Farm. The relocation cost is estimated to be around RM300,000. As both an alternative and an additional mitigation step, Farm Fresh is also able to source and purchase additional raw milk from third party farmers in Malaysia and Australia to meet the shortfall in its production demands, if any, until such time the building constructed at our UPM Farm can be occupied. For the FPE 30 September 2021, the contribution of raw milk output from our UPM Farm as a percentage of our Group's total production requirement is about 1.6%. The estimated cost to rectify plus the possible penalty applicable is less than 0.8% of our Group's FYE 31 March 2021 PBT.

7.17.5 Non-compliances in respect of our Muadzam Shah Facility

(i) Building non-compliances

No.	Nature of non-compliance	Status as at the latest practicable date	Estimated time for rectification	Estimated cost to rectify	Potential maximum penalty	Impact to business operations or financial condition
1.	Construction of buildings without building plan approval and occupation of building without CCC A warehouse had been constructed at our Muadzam Shah Facility prior to obtaining the building plan approval and have not been issued with a CCC as the issuance of the CCC is preceded by the building plan approval to be granted by the relevant authority.	Farm Fresh had on 27 October 2020 appointed a professional engineer as consultant to handle the application for the development of our Muadzam Shah Facility (which includes the planning permission approval, building plan approval and CCC). Farm Fresh had obtained the planning permission dated 4 October 2021. The submission of the building plan approval requires the planning permission to be first endorsed by the relevant authority. Farm Fresh had on 8 December 2021 submitted the planning permission to the relevant authority and the planning permission was endorsed by the relevant authority on 16 December 2021. The consultant is currently finalising the documents required for the submission of the application for building plan approval. The application is expected to be made by 28 February 2022. Farm Fresh will obtain the CCC after the building plan approval has been granted by the relevant authority.	The building plan approval is expected to be obtained within 3 months from the date of submission of the application, but in any event, Farm Fresh endeavours to obtain the building plan approval prior to listing. If the building plan approval is not obtained prior to listing, the status of the non-compliance will be disclosed in Farm Fresh's quarterly report.	RM286,510[1]	Construction of buildings without building plan approval Farm Fresh may be liable on conviction to a fine not exceeding RM50,000[1] or to imprisonment for a term not exceeding three years or to both and shall also be liable to a further fine of RM1,000[1] for every day during which the offence is continued after conviction. *Section 70(13) Street, Drainage and Building Act 1974.* Occupation of building without CCC Farm Fresh may be liable on conviction to a fine not exceeding RM250,000[1] or to imprisonment for a term not exceeding 10 years or to both. Additionally, the local authority may order for any such buildings without a CCC to be demolished. *Sections 70(27)(f) and 72 Street, Drainage and Building Act 1974.*	No material adverse impact to our Group's business operations and financial condition because in the event Farm Fresh is required to cease using the said warehouse, it will engage warehousing services. The relocation cost is estimated to be RM20,000 and Farm Fresh is expected to incur an additional cost of RM50,000 per month for the warehousing services. The estimated cost to rectify plus the possible penalty applicable is approximately 0.9%[1] of our Group's FYE 31 March 2021 PBT.

(ii) Operational non-compliances

No.	Nature of non-compliance	Status as at the latest practicable date	Estimated time for rectification	Estimated cost to rectify	Potential maximum penalty	Impact to business operations or financial condition
1.	The labels for certain UHT products are not in compliance with the Food Regulations 1985 ("**Food Regulations**"). The labels for the following UHT products are not in compliance with the Food Regulations: (a) Henry Jones full cream milk products require the label on the package to contain the words "full cream milk"; (b) flavoured milk products require the label on the package to have the words "flavoured milk" or the name of the flavour conjoined with the words "flavoured milk"; (c) yoghurt drink products require the label on the package to state the word "flavoured yoghurt drink"; and (d) the label of the package of the plant-based beverages shall not contain the word "milk".	Farm Fresh is in the process of revising the labels for the relevant products to comply with the Food Regulations. The Ministry of Health Malaysia has, vide its letter dated 30 August 2021 granted a grace period of up to 28 February 2022 for Farm Fresh to use its existing product labels.	28 February 2022.	RM100,000	Farm Fresh (including their directors and officers) may be liable on conviction to a fine not exceeding RM10,000 or imprisonment for a term not exceeding 2 years. *Section 33A of the Food Act 1983 and Regulation 397 of the Food Regulations.*	There is no material adverse impact to our Group's business operations and financial condition as Farm Fresh will have sufficient time to revise the labels for the relevant products. The estimated cost to rectify plus the possible penalty applicable is less than 0.2% of our Group's FYE 31 March 2021 PBT.

Note:

(1) In aggregate with our Muadzam Shah Facility or Farm, as the case may be.

7.17.6 Overall impact of the non-compliances

The table below shows a summary of the total estimated costs (being the costs to rectify plus possible penalties applicable) relating to all the non-compliances mentioned in this Section 7.17.

	Production volume Raw milk output/ Processed finished products for FPE 30 September 2021	% of Group's total production requirement for FPE 30 September 2021	Estimated cost to rectify the non-compliances	Possible penalty applicable to all non-compliances	Total estimated costs	% of FYE 31 March 2021 PBT
	(million litres)		(RM)	(RM)	(RM)	
Non-compliant farm/facility						
Mawai Farm	0.89	2.4%	465,000	1,152,500	1,617,500	2.4%
Muadzam Shah Farm	3.48	9.2%	386,510	310,000	696,510	1.0%
Muadzam Shah Facility	19.99	48.6%				
Taiping Farm	0.07	0.2%	260,000	302,000	562,000	0.8%
UPM Farm	0.59	1.6%	250,000	250,000	550,000	0.7%
Total			**1,361,510**	**2,014,500**	**3,376,010**	**4.9%**

The annual raw milk output of each of our affected farms (being the farms which risk closure and/or relocation, namely our Mawai Farm, Taiping Farm and UPM Farm) ranges from 0.2% to 2.4%, and in aggregate represents 4.2% of our Group's total annual raw milk output for the FPE 30 September 2021. Our affected farms, individually and collectively, do not have a material adverse impact to the business operations of our Group as our Group is also able to source and purchase additional raw milk from third party farmers in Malaysia and Australia to meet the shortfall in our production demands (if any).

On the other hand, the estimated costs to rectify the non-compliances and the penalties applicable to all the non-compliances ranges from 0.7% to 2.4% of our Group's PBT for the FYE 31 March 2021. The impact of the non-compliances to our Group, individually and collectively, is not expected to have a material impact to the business operations and financial condition of our Group on the basis that the total estimated costs of all the non-compliances represents less than 5% of our Group's PBT for the FYE 31 March 2021. As at the LPD, our Group has not received any fines or penalties imposed by the relevant authorities in respect of the non-compliances. Further, given our Group's business nature, locations of the farms in different states in Peninsular Malaysia as well as the remedial actions above, the risk of our Group being convicted or all the affected farms of our Group being subject to simultaneous enforcement resulting in forced closures or cessation of operations at once is mitigated.

Notwithstanding that the outstanding non-compliance incidents may remain unresolved by the time of our Listing, our Group undertakes to procure the necessary and continue making the necessary applications to or engage with the relevant authorities to resolve the same. These will include our management of our Group following-up closely and liaising with the relevant authorities to address any queries and requirements raised by the relevant authorities throughout the application and deliberation process until a resolution is achieved. We undertake to update our shareholders on the status of our efforts to remedy / resolve the outstanding non-compliance incidents in our quarterly reports.

7.18 Internal control measures to prevent the recurrence of non-compliance incidents

Our Directors have implemented the following measures to enhance the internal control system of our Group and prevent the recurrence of the non-compliance incidents set out in Section 7.17 of this Prospectus:

(i) on 27 September 2021, we have established an Audit and Risk Management Committee which comprises entirely Independent Non-Executive Directors, namely Sukanta Kumar Dutt, Dato' Dr Quaza Nizamuddin Bin A. Hassan Nizam and Jocelyn Ng. The Audit and Risk Management Committee has adopted its terms of reference which sets out its duties and obligations, amongst others, to oversee the financial risk processes, accounting policies and financial reporting practices and the risk management framework and its related policies within our Group, review the quality of our Group's internal control, accounting function and financial reporting system and the risk management framework and processes to ensure that they remain relevant for use and monitor the effectiveness of risk treatment/mitigation action plans for the management and control of key risks, in addition to other matters as instructed by our Board;

(ii) we have established an internal audit function within our Group, headed by our Head of Audit and Risk who was appointed on 1 April 2021, for purposes of providing independent assurance to our Board (via the Audit and Risk Management Committee) and management regarding our organisation's corporate governance, risk management and internal controls through audit procedures designed to evaluate effectiveness of internal controls and assessing compliance with policies and laws and regulations and provide recommendations on improving the risk management and compliance of our Group, amongst other things. With regard to the non-compliances incidents as set out in Section 7.17 of this Prospectus, our Head of Audit and Risk will be responsible for reviewing the status of implementation of the rectification measures as well as the effectiveness of our on-going measures, including the internal control measures adopted by our Audit and Risk Management Committee to prevent future non-compliance incidents. Our Head of Audit and Risk will report directly to our Audit and Risk Management Committee on the status of our compliance with licences, permits and approvals, as well as with the relevant laws and regulations governing our business operations, and other audit findings pertaining to internal controls and risk management effectiveness;

(iii) where necessary, we will seek professional advice and assistance from independent internal control consultants, external legal advisers and/or other appropriate independent professional advisers with respect to matters related to our internal controls and compliance, and to provide us updates on the applicable laws related to our business operations from time to time after our Listing. We will also engage professionals where necessary to provide training to our Directors and employees to develop a clear understanding of matters related to our internal controls and compliances for them to leverage on their understanding to enhance our policies and processes and implementation of the same;

(iv) on 22 November 2019, we engaged KPMG to perform an evaluation of the adequacy and effectiveness of our Group's internal control system, including the areas of governance, financial, operation, compliance and risk management. Following such review and evaluation performed by KPMG, we implemented all of the recommendations given by KPMG on our internal control system which relate to the non-compliance incidents mentioned in Section 7.17 of this Prospectus and put in place policies such as our code of conduct and business ethics, whistle blowing policy, personal data privacy policy and ethical trading policy. In addition, we will continue to review and evaluate our internal control system and where necessary effect improvements to reflect new or changing risks or operational requirements to ensure the effectiveness of our internal control system; and

(v) on 30 August 2021, we have established a NPL Committee which is chaired by Loi Tuan Ee, our Group Managing Director and Group Chief Executive Officer, with members comprising our Group Chief Operating Officer, our Group Chief Financial Officer, our

Head of Audit and Risk and one representative from each of our Group's sales team, production team, procurement team, internal audit team, and quality control team and compliance team. The NPL Committee will be responsible for reviewing all facets of our product launch. The NPL Committee will identify various risks and defects for each step of the packaging process, coding and labelling, inspection and storage and specifically ensuring that our Group's business departments follow the internal policies for each step of our operations, including ensuring that all new products to be launched and marketed by our Group are in compliance with applicable laws and regulations. In addition, the role and responsibility of our Head of Audit and Risk Group's compliance and risk control officer will be enhanced to include carrying out checks on the packaging of all our products to ensure that our products are correctly labelled and conform to applicable laws and regulations.

7.19 Business interruption

Save as disclosed below, we did not experience any interruption to our business that caused a significant effect on our operations during the 12-month period prior to the date of this Prospectus.

Impact of COVID-19 on our Business

The COVID-19 pandemic, together with the resulting travel restrictions and quarantine and lockdown measures imposed in Malaysia, has not had a material adverse impact on our business and operations. While the Government of Malaysia ordered all government and private premises to close with the imposition of a Movement Control Order ("**MCO**") pursuant to the Prevention and Control of Infectious Diseases (Measures within the Infected Local Areas) Regulations 2020 with effect from 18 March 2020 to 3 May 2020 (the "**First MCO Period**"), we were allowed to continue operating during that time as an "essential service" since we supply and produce milk and other dairy products which are consumed on a regular basis. The Malaysian Government imposed another MCO with effect from 13 January 2021 to 18 February 2021 (the "**Second MCO Period**"). Subsequently, the Malaysian Government announced a nationwide reimposition of MCO with effect from 12 May 2021 to 7 June 2021 (the "**Third MCO Period**"). Following the increases in the number of new COVID-19 cases, the Malaysian Government implemented a nationwide total lockdown with effect from 1 June 2021 to 14 June 2021 (the "**Full MCO Period**"). On 15 June 2021, the Malaysian Government introduced a four-phase national recovery plan where a different degree of travel restrictions and restriction in the operation of various economic sectors are implemented in each phase of the national recovery plan (the "**National Recovery Plan**"). As at the LPD, all states and federal territories in Malaysia are in phase 4 of the National Recovery Plan. As at the LPD, neither the First MCO Period, the Second MCO Period, the Third MCO Period, the Full MCO Period nor the National Recovery Plan has had a material adverse impact on our business operations and financial condition.

Measures and precautions

We implemented several measures aimed at minimising risk to our operations and employees while concurrently maintaining our business continuity. These measures and precautions include the following:

- Implementing screening procedures to manage the flow of staff and visitors during the COVID-19 pandemic.
- Developing and communicating various written policies on COVID-19 to staff via circulars.
- Ensuring information, training and COVID-19 related surveillance is provided and dispersed.
- Appointing staff to do temperature checking and monitor workers and visitor health.

- Requiring staff to scan the QR code using the MySejahtera app developed by the Government of Malaysia every time they enter the workplace and restricting entry to only allow staff with a low risk reflected on the MySejahtera app to enter the workplace.
- Instructing supervisors to monitor symptoms of staff at the workplace.
- Monitoring sick leave and absenteeism among staff, keeping a record of staff sick leave including reasons for leave, duration of leave and current status.
- Implementing thorough health and safety measures at all our farms and production facilities, including social distancing, no-handshaking policy, encouragement to wear a proper face mask, frequent washing or sanitisation of hands.
- Implementing thorough disinfection and cleaning of the general work environment and company vehicles.

Please see Sections 5.1.5 and 12.2.2(v) of this Prospectus for more details on the impact of COVID-19 on our business, financial condition and results of operations.

7.20 Employees

As we consider our employees to be our biggest asset, one of our key strategy pillars is to constantly develop our human capital.

We seek to develop local talent in the areas where we operate with a view to co-existing harmoniously with the local communities in such areas. In Muadzam Shah, for instance, we have employed a total of 104 local employees in our dairy farm, six of whom are from the indigenous population ("**Orang Asli**"), and a further 142 local employees, including five Orang Asli, in our processing facility. In Australia, the Australian Group employs a total of 55 employees. Currently, 41 personnel are employed by Goulburn Valley Creamery and 14 by Henry Jones Foods.

Our belief in our human resource as our most vital resource also translates to our commitment to safeguard our employees' safety, health and welfare by creating a sound and comfortable working environment which we believe cultivates happy and healthy employees. Our commitment to this is reflected in the following initiatives we have adopted:

- implementing thorough health & safety measures (SOPs) at all our farms and production facilities;
- providing housing to certain of our employees;
- providing a 50% meal subsidy for farm-based employees;
- encouraging sustainable living amongst farm-based employees by growing vegetables and rearing fish on-site, which are then provided to employees free of charge for their daily meals; and
- providing training sessions to our employees periodically to improve their relevant skills and knowledge.

Further, during the COVID-19 pandemic, we provided additional accommodation facilities to separate our employees from mixing with other employees and enable them to have a short walk, i.e. not subject to the daily commute thereby reducing the risk of contracting the COVID-19 virus.

We believe strongly in supporting our human capital, especially in times of crises or financial hardship and have previously extended micro-loans to certain employees going through financial difficulties.

Our operations and financial affairs are centrally managed out of our headquarters in Malaysia. As at the LPD, we have a total workforce of 764 employees, of which 755 are permanent employees and nine are contract employees. Out of all our employees, 716 are local (including both local employees in Malaysia and Australia) and the remaining 48 are foreign employees in Malaysia who are involved in the farms and processing plants.

The following depicts the number of employees in our Group categorised by business function or department as at the LPD:

Business function/ department	As at the LPD	
	Number of employees	Percentage of total
Key senior management	6	0.8%
Management	44	5.8%
Administration	104	13.6%
Sales, branding, marketing and product management	21	2.7%
Production and operations	532	69.6%
Quality assurance and control	57	7.5%
Total	**764**	**100.0%**

The following depicts the number of employees in our Group categorised by geographic location as at the LPD:

Location	As at the LPD	
	Number of employees	Percentage of total
Malaysia	709	92.8%
Australia	55	7.2%
Total	**764**	**100.0%**

We generally do not experience any significant seasonal fluctuations in the number of our full-time employees and contract employees.

We believe we have maintained good relationships with our employees. As at the LPD, with the exception of 16 employees at our Australian subsidiary, Henry Jones Foods who are members of the Australian Manufacturing Workers Union ("**AMWU**"), none of our employees are members of any union and we have not experienced any labour disputes in the past that caused a material disruption to or materially affected our operations. In addition, all our foreign workers have valid working permits in Malaysian and Australia, and there has been no breach of any immigration laws by our Group in these countries.

7.21 Intellectual property and trademarks

Our material brand names, patents, trademarks, technical assistance agreements, franchises and other intellectual property rights, as at the LPD, are set out in Annexure C of this Prospectus. Please refer to Annexure C of this Prospectus for further details.

7.22 Governing laws and regulations relating to Malaysia and Australia

Our business is regulated by, and in some instances required to be licensed under specific laws of Malaysia and Australia. The relevant laws and regulations governing us and which are material to our operations are summarised below. The following does not purport to be an exhaustive description of all relevant laws and regulations of which our business is subject to and is only intended to provide general information to investors. It is not intended to be a substitute for independent professional advice.

In Malaysia, our business is subject to a number of Malaysian laws and regulations including but not limited to:

- National Land Code;

- *Street, Drainage and Building Act 1974;*
- *Industrial Coordination Act 1975; and*
- *Environmental Quality Act 1974.*

In Australia, our business is subject to a number of Australian laws and regulations including but not limited to:

- *Corporations Act 2001 (Cth);*
- *Dairy Act 2000 (Vic);*
- Australia New Zealand Food Standards Code;
- *Food Act 1984 (Vic); and*
- *Water Act 1989 (Vic).*

Please refer to Annexure F of this Prospectus for further details.

7.23 Material properties and material equipment

Details of our material properties, whether owned or leased/tenanted, and our material equipment are set out in Annexure B of this Prospectus.

7.24 Material dependency on commercial contracts, agreements or other arrangements

As at the LPD, there are no contracts, agreements, other arrangements or other matters entered into by or issued to us or on which we are materially dependent on, and which are material to our business and profitability, save as those described in Annexure E of this Prospectus.

Independent Market Research ("IMR") report on the Malaysian Integrated Dairy Industry

January 2022

FROST & SULLIVAN

FROST & SULLIVAN

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Date: 15 February 2022

The Board of Directors
Farm Fresh Berhad
No. 11-1, Jalan Petaling
Kawasan Perindustrian Larkin,
80350 Johor Bahru, Johor

Dear Sirs,

Independent Market Research on the Malaysian Integrated Dairy Industry for Farm Fresh Berhad ("Farm Fresh" or the "Company")

We, Frost & Sullivan GIC Malaysia Sdn Bhd ("**Frost & Sullivan**"), have prepared this Independent Market Report on the Malaysian Integrated Dairy Industry ("**IMR Report**") for inclusion in Farm Fresh's prospectus, in relation to the listing of and quotation on the Main Market of Bursa Malaysia Securities Berhad ("**Prospectus**").

We are aware that this IMR Report will be included in the Prospectus and we further confirm that we are aware of our responsibilities under Section 215 of the Capital Markets and Services Act, 2007.

We acknowledge that if we are aware of any significant changes affecting the content of this IMR Report between the date hereof and the issue date of the Prospectus, we have an ongoing obligation to either cause this IMR Report to be updated for the changes and, where applicable, cause Farm Fresh to issue a supplementary prospectus, or withdraw our consent to the inclusion of this IMR Report in the Prospectus.

Frost & Sullivan has prepared this IMR Report in an independent and objective manner and has taken adequate care to ensure the accuracy and completeness of this IMR Report. We believe that this IMR Report presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and does not purport to be exhaustive. Our research has been conducted with an "overall industry" perspective and may not necessarily reflect the performance of individual companies in the industry. Frost & Sullivan shall not be held responsible for the decisions and/or actions of the readers of this IMR Report. This IMR Report should also not be considered as a recommendation to buy or not to buy the shares of any company or companies as mentioned in this IMR Report or otherwise.

For and on behalf of Frost & Sullivan GIC Malaysia Sdn Bhd:

June Liang Pui San
Country Head, Malaysia

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Methodology

For the purpose of preparing this Report, Frost & Sullivan has conducted primary research encompassing interviews with industry experts and industry players, and secondary research, which included reviews of company reports, official websites/social media pages, independent research reports, information from industry associations/authorities/international organisations, and information from Frost & Sullivan research database. Unless being made available in the publicly available sources, projected data was derived by Frost & Sullivan using historical data analysis with the consideration of the social, economic, and political environments in the relevant markets for the forecasted period.

Profile of Frost & Sullivan GIC Malaysia Sdn Bhd

FROST & SULLIVAN is a global independent industry research and consulting organisation headquartered in the United States of America with over 60 years of establishment. In Malaysia, FROST & SULLIVAN's subsidiary, Frost & Sullivan GIC Malaysia Sdn Bhd, operates two offices (Selangor and Iskandar Malaysia) with more than 200 employees offering market research, marketing and branding strategies and business advisory services across 12 industries. FROST & SULLIVAN is involved in the preparation of independent market research reports for capital market exercises, including initial public offerings, reverse takeovers, mergers and acquisitions, and other related fund-raising and corporate exercises.

Profile of the IMR signee, June Liang Pui San

June Liang is the Country Head for Frost & Sullivan GIC Malaysia Sdn Bhd. June Liang possesses over 23 years of experience in market research and consulting, including over 14 years in independent market research and due diligence exercises for capital markets across the Asia Pacific region. June Liang holds a LLB (hons) from University of Wales, Cardiff and MBA from Imperial College.

For further information, please contact:

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F R O S T & S U L L I V A N

1 INTRODUCTION

The dairy industry in Malaysia is growing driven by both demand and supply dynamics. On the demand side, Malaysians are becoming more health-conscious and are adopting a more balanced diet rich in nutrients and proteins, which leads to a growing interest in fresh and organic food & beverage ("**F&B**") products. In addition, there is a growing demand for fortified products, including milk, with extra vitamins and minerals due to lifestyle (e.g., muscle building) and health (e.g., fragile bones) needs by consumers. Additionally, the growth of the population and household income enable consumers to spend more on F&B products, including dairy products. Urbanisation also drives the demand for packaged dairy products as city dwellers are generally becoming more accustomed to Western dietary styles and are enjoying the convenience of purchasing and consuming products on the go. On the supply side, dairy companies are innovating their product offerings to suit consumers' needs, such as providing new pack sizes to fit the different lifestyles of consumers (e.g., 100ml for kids, 200ml for adults while on the go, 1,000ml for home consumption, etc.), new packaging designs to make the products more visually attractive, and new flavours to tailor to local preferences and dietary requirements. Furthermore, dairy companies now can also reach consumers through multiple distribution channels, including physical stores, online channels, stockists and home dealers.

2 MACROECONOMIC OVERVIEW

Malaysia is the third wealthiest country in Southeast Asia ("**SEA**").[1] The Malaysian economy grew at a compound annual growth rate ("**CAGR**") of 4.9% over the period from 2015 to 2019, despite global headwinds. The country's economy declined by -5.6% in 2020 compared to 2019, partly due to the initial uncertainty caused by the political crisis at the beginning of the year, but mostly due to the economic impact of the Coronavirus Disease ("**COVID-19**") pandemic, which caused a decline in global and domestic demand as well as economic activity. Following the economic contraction in 2020, the economic activity gradually picked up in the months of February and March 2021 as well as at the start of the second quarter of 2021, due to the lifting of some movement restrictions imposed to contain the spread of the COVID-19 virus. The economic activity slowed down again in June and in July 2021 under Phase 1 of the National Recovery Plan (NRP), but subsequently recovered later in the third quarter as more states transitioned into Phase 2 with less restrictive containment measures. In line with the higher vaccination rate achieved in the later part of the third quarter of 2021, more sectors were then allowed to re-open. The latest forecasts as at November 2021 project the Malaysian economy to **recover in 2021** compared to the 2020 levels, and register a yearly growth rate of between 3.0% and 4.0%.[2] The economic growth is expected to accelerate further in 2022, supported by a gradual normalisation of economic activities and global economic developments.

The **Malaysian population** grew at a CAGR of 1.1% from 2015 to 2020, from 31.2 million people in 2015 to 32.9 million people in 2020. The population is forecasted to reach 35.0 million by 2025.[3] With the population of Malaysia set to increase, the dairy industry will also expand further due to the increased base of consumers.

The positive economic situation in Malaysia in the past years contributed to the **growth of household income**. The average household disposable income per capita grew from RM20,015.6 in 2015 to RM24,071.3 in 2020 at a CAGR of 3.8%, and it is expected to reach RM31,742.6 by 2025, contributing to higher expenditure by households, including on consumer food products such as dairy products. With the higher household income, the country's **monthly household expenditure** has also followed suit, growing from RM3,577.6 in 2014 to RM4,533.5 in 2019 at a CAGR of 4.9%. Specifically, the monthly household expenditure on milk products grew from RM48.2 in 2014 to RM55.4 in 2019, recording a CAGR of 2.8%. Among other reasons, this growth was driven by the higher consumption of fresh milk as a

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[1] Southeast Asia in this report is defined as including Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam

[2] Bank Negara Malaysia, Economic and Financial Developments in Malaysia in the Third Quarter of 2021, November 2021

[3] International Monetary Fund, World Economic Outlook October 2021

more nutritional option than reconstituted/recombined milk, the higher health awareness among consumers, and the increasing quality and affordability of fresh milk in Malaysia.

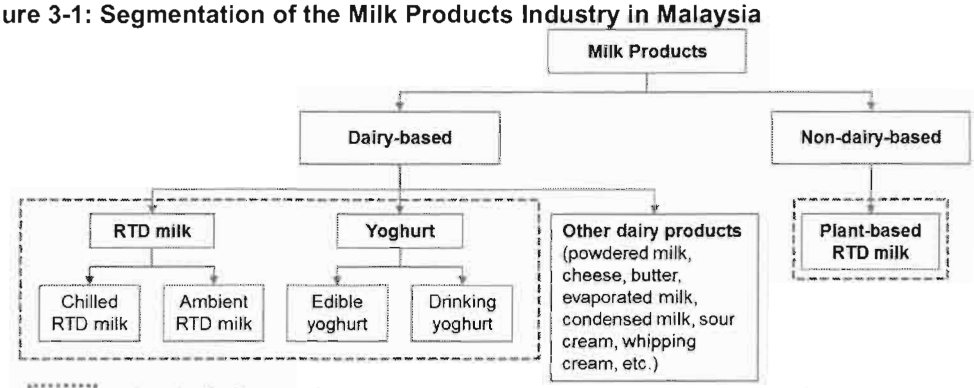
3 THE INTEGRATED DAIRY INDUSTRY

3.1 DEFINITIONS AND VALUE CHAIN

The **integrated dairy industry** can be divided into three main stages: (1) upstream; (2) midstream; and (3) downstream. An integrated dairy company has operations in every stage of the value chain. By operating a dairy farm, a dairy company can have a competitive advantage, ensuring a stable supply of fresh raw milk[4] at a lower cost, avoiding the fluctuation of fresh raw milk prices. **Farm Fresh is integrated in the value chain.**[5]

3.2 INDUSTRY SEGMENTATION

Figure 3-1: Segmentation of the Milk Products Industry in Malaysia



Note: *refers to the focus of this report, as the company operates mainly in these areas.*

Source: Frost & Sullivan

Milk products can be split into dairy-based and non-dairy-based. **Dairy-based** milk products are F&B products made from the milk of mammals such as cows or goats, including ready-to-drink ("**RTD**") milk, yoghurt, butter, and cheese (coagulation of milk protein), among others. **Non-dairy-based** milk products are F&B products made from plants including beans or nuts such as soybeans, almonds, cashew and oat, among others. This report will focus on dairy-based RTD milk and yoghurt, and plant-based RTD milk.

4 INDUSTRY SIZE AND GROWTH

4.1 SALES

Table 4-1: Retail Sales of Selected Milk Products in Malaysia by Segments (RM Million), 2015–2025F

	RTD Milk		Yoghurt		RTD Milk
	Chilled	Ambient	Drinking	Edible	Plant-based
2015	317.2	797.2	155.3	158.4	252.2
2019	456.6	1,186.6	195.3	201.3	295.1
2020	539.5	1,547.0	210.6	228.3	315.1
2021F	533.1	1,530.6	209.9	225.0	316.9
2025F	780.6	2,103.4	272.8	294.6	392.5
CAGR 2015-2019	***9.5%***	***10.5%***	***5.9%***	***6.2%***	***4.0%***
CAGR 2021F-2025F	***10.0%***	***8.3%***	***6.8%***	***7.0%***	***5.5%***

Note: *Retail sales value at current prices. Drinking yoghurt does not include cultured yoghurt drink.[6] The market forecasts are based on the latest data available as at October 2021.*

Source: Frost & Sullivan

The retail sales of selected milk products grew between 2015 and 2019. In 2020, the market recorded strong growth, driven by consumer panic buying and stocking up during the early part

[4] Raw milk is defined by the European Food Safety Authority as milk produced by farmed animals that has not been heat treated to more than 40°C, nor had any equivalent treatment

[5] Refer to the competitive landscape section of this report for more information

[6] Cultured yoghurt drink refers to fermented yoghurt drink

of the first nationwide movement restrictions being introduced by the Malaysian Government. In the first nine months of 2021, sales stabilised, declining slightly compared with the strong performance achieved in 2020 during the same period. Based on the latest data available as at October 2021, in the full year of 2021 the market is estimated to remain subdued compared to 2020, but higher compared with the 2019 levels, and it is estimated to grow in the following years starting 2022 towards the forecasted period up to 2025.

Size of the RTD milk industry: **Chilled segment** refers to milk that needs to be stored under chilled conditions (below 5°C) along the supply chain, from production to consumer. **Ambient segment** refers to milk that does not need to be stored under chilled conditions, such as the ultra-high temperature ("**UHT**") milk and sterilised milk. The ambient segment was the largest RTD milk segment in 2020, contributing 74.1% in terms of value, mainly due to its longer shelf life, which allows consumers to stock up UHT and sterilised milk for a longer time. Ambient RTD milk is also a preferred choice due to its lower price compared with chilled RTD milk, as the ambient RTD milk does not require a cold chain distribution and storage. In the forecasted period up to 2025 the chilled segment is expected to drive the growth of the RTD milk category.

Meanwhile, the retail market of powdered milk was estimated at RM2.3 billion in 2020. Powdered milk is expected to have a steady growth in the following years, driven by specialty milk for infants, kids and the elderly, who need calcium intake for healthy bones. As the age groups of 0 to 14 years old and 50 years old and above are forecasted to grow at a CAGR of 0.6% and 4.4% between 2020 and 2025 respectively, the demand for powdered milk is expected to follow suit.

Size of the yoghurt industry: **Edible yoghurt** refers to thick yoghurt that is obtained by fermenting milk with various live bacteria cultures, usually in spoonable form. **Drinking yoghurt** refers to dairy beverages that are produced in a very similar method to traditional yoghurt, usually in bottle form. Edible yoghurt and drinking yoghurt had similar market share in terms of value in 2020, while drinking yoghurt had a higher volume share. This was mainly due to edible yoghurt's higher average selling price compared to drinking yoghurt. The higher health awareness among Malaysians helped the industry grow, as yoghurt is increasingly seen as an ideal choice for on-the-go consumption. Additionally, industry players' innovations regarding flavours have helped boost yoghurt consumption. The retail market of yoghurt is expected to grow from RM434.8 million in 2021 to RM567.4 million in 2025 at a CAGR of 6.9%.

Plant-based RTD milk products can be defined as milk beverages containing or made from plants such as soy milk and almond milk. The market of plant-based RTD milk is poised to grow driven by the growing local vegan population in Malaysia. Additionally, the demand for plant-based RTD milk is also expected to be driven by the large lactose intolerant population in the country; more than 90% of the Malaysian population is lactose intolerant.[7] Further, plant-based RTD milk also caters to consumers with dietary restriction due to medical reasons. Moving forward, the market is expected to grow, driven by the introduction of new high-value varieties.

4.2 COUNTRIES COMPARISON

The Malaysian consumption of milk and milk products per capita grew from 53.3 kg per person in 2015 to 54.3 kg per person in 2020, at a CAGR of 0.4%. The consumption per capita recorded in Western developed countries in 2020 (e.g., Australia 297.3 kg, United States 276.2 kg) was higher in general when compared to developing countries in Southeast Asia (e.g., Philippines 23.1 kg and Indonesia 17.2 kg). However, **the consumption of milk and milk products in SEA countries is projected to grow at a robust rate** in the future due to factors including: (i) dietary habits of consumers are becoming more globalised; (ii) consumers are increasingly aware of health topics and nutrient-rich milk products are in demand; and (iii) the growth of disposable income allows consumers to spend more on quality products. The consumption of milk and milk products is forecasted to increase across all segments. The RTD milk segment in Indonesia and the Philippines is expected to grow at a CAGR of 9.3% and 6.5% respectively during the period from 2020 to 2025.

[7] The Star, Easing lactose intolerance woes, May 2019

4.3 LOCAL PRODUCTION VS IMPORTED PRODUCTS

The Malaysian dairy industry does not produce a sufficient quantity of milk to keep up with the **increasing domestic demand**. Malaysia's net import (import - exports) of milk and milk products increased between 2015 and 2020 at a CAGR of 2.0%.

There were 801 dairy farms in Malaysia in 2020, out of which 615 were small-scale dairy farms, 97 were medium-scale dairy farms and 89 were large-scale dairy farms.[8&9] Through its National Dairy Industry Development Strategic Plan 2021-2025 that was launched in July 2021, the Malaysia Agriculture and Food Industry Ministry is committed in **boosting the country's dairy sector** to achieve a 100% self-sufficiency level[10] ("**SSL**") for fresh raw milk by 2025. The development of dairy valleys that was outlined under the 12th Malaysia Plan would be continued at several new areas such as the South Dairy Valley (Melaka and Johor), the Borneo Dairy Valley (Sabah and Sarawak) and the East Coast Dairy Valley (Kelantan and Terengganu). As of January 2022, there are five dairy valleys that are operational (Muadzam Shah dairy valley, Ulu Bernam dairy valley, Mualim dairy valley, Larut Matang Selama dairy valley and Northern dairy valley).[11] Among the five dairy valleys, the Muadzam Shah dairy valley is the largest fresh raw milk-producing valley nationwide.[12] It is also where Farm Fresh has both a farm and a processing facility.

The local fresh raw milk production in Malaysia grew from 36.5 million litres in 2015 to 43.3 million litres in 2020[13] at a CAGR of 3.5%, in part supporting the **fast growth of the local consumption**. The higher local production is expected to contribute to the greater affordability of milk products in Malaysia. Notwithstanding the lower population of dairy cattle in Malaysia in the period from 2015 to 2020, the growth of local fresh raw milk production was supported by better milk yields, higher efficiency and productivity of local Malaysian dairy farms, particularly by companies adopting good farm management practices.

Breeds performance: Farmers across different geographies increasingly shift to crossbred cows to benefit from the efficiencies of hybrid vigour and get the best traits from each breed[14] for the respective climate and operational conditions. Additionally, the milk yield may vary significantly between different operations, due to factors such as climate and herd management, among other factors. In addition, in a given geography, the average annual yield by dairy cows increases over time, due to the improved herd genetics and feed management, among other factors. For example, the average milk yield per lactation cycle in Malaysia increased from 2,497 litres in 2016 to 3,174 litres in 2020[15] at a CAGR of 6.2%.

Farm Fresh in its Malaysian operations owns the Australian Friesian Sahiwal ("**AFS**") and the Jersey-Friesian **crossbreeds.** Due to the availability of these crossbreeds, and due to the improvements in farm management achieved over years of operations, Farm Fresh is able to obtain a superior milk yield of approximately 5,479 and 5,718 litres/lactation cycle[16] respectively in 2019[17] from these breeds in its farms in Malaysia, even in the tropical environment of Malaysia. Overall, the AFS breed combines the genotypes of the temperate Holstein and the tropical Sahiwal breeds, resulting in one of the most resilient and economically viable tropical cattle breeds globally.[18] AFS cattle are also proven to have high resistance to heat, ticks and

[8] Small-scale dairy farms refer to dairy farms with 1-39 dairy cows; medium-scale dairy farms refer to dairy farms with 30-49 dairy cows; and large-scale dairy farms refer to dairy farms with 50 or more dairy cows
[9] Based on data from Department of Veterinary Services ("**DVS**") that was shared with F&S
[10] Defined as of Local Fresh Raw Milk Production (million litres) out of the total Consumption of Fresh Milk & Imported Liquid Milk (million litres) in Malaysia
[11] Based on data from DVS that was shared with Frost & Sullivan
[12] Based on data from DVS that was shared with Frost & Sullivan
[13] DVS, "Perangkaan Ternakan Malaysia 2019-20", December 2020
[14] LIC & Dairy NZ, "New Zealand Dairy Statistics, 2019-2020", December 2020
[15] Based on data from DVS that was shared with Frost & Sullivan
[16] Based on average lactation length of 333 and 361 days respectively
[17] Milk yield as reported by Farm Fresh
[18] Development of models for the genetic improvement of dairy cattle under cooperative dairying conditions, Md. Kabirul Islam Khan, 2009; Milk and beef production in tropical environments, Indian Veterinary Research Institute

blood parasites, good tolerance to humidity and benefit from a robust fertility rate.[19] As at December 2021, Farm Fresh is estimated to have one of the largest remaining gene banks of the original AFS cattle globally, and the largest herd of AFS breed cattle among vertically integrated dairy players in Malaysia.[20]

For reference, in its Australian operations, the pure Holstein breed at Farm Fresh's farm offers approximately 10,000 litres of milk per lactation cycle[21] compared with the average of 7,500 litres of milk per lactation cycle recorded in Australia by the Holstein breed.[22] The Holstein dairy cattle are generally believed to be among the highest yielding dairy breed globally.

4.4 MARKET DRIVERS AND RESTRAINTS

4.4.1 Market Drivers

Growing attention to nutrients, fresh and quality products: Malaysians are placing a greater importance on fresh and natural food products, which have more nutrients than preserved food products. Malaysians are also demanding for quality products that are prepared following hygienic practices and that are safe to be consumed. The total plate count ("**TPC**") test has been used to indicate the bacteria colonies formed from live and viable bacteria. The acceptable limit for fresh milk of high quality is 1,000,000 colony-forming units per millilitre ("**CFU/ml**") or lower.[23] Approximately 30% to 40% of dairy farmers recorded a TPC of more than 1,000,000 CFU/ml at DVS milk collection centre in 2020.[24] Farm Fresh's TPC was below 100,000 CFU/ml[25] during the same year, a value comparable to the limit of 100,000 CFU/ml imposed by the European Union,[26] which has among the world's highest industrial standards for milk and other dairies. It is important for milk to have a TPC of 1,000,000 CFU/ml or lower as having a TPC above the acceptable limit can cause acute diarrhea and haemolytic uremic syndrome, among others.

Convenient packaging sizes: Malaysia's urbanisation rate increased from 74.2% in 2015 to 77.2% in 2020;[27] this led to changes in the lifestyle of consumers. City dwellers generally enjoy the convenience of purchasing and consuming products on the go. Multiple packaging sizes offer consumers the possibility to select the most suitable sizes for their consumption habits.

Innovation on milk dairy products: The preferences of society are constantly evolving. The demand for sophisticated flavours (e.g., flavours to suit the local market) is growing. For example, the **kurma flavour** option for RTD milk by Farm Fresh has gained popularity among Malaysians, as it accommodates the local taste pallet. Kurma (palm dates) RTD milk, first introduced in Malaysia by Farm Fresh locally in 2016, was later introduced by various competitors. Dairy products also have different variations to suit the different dietary needs of consumers, such as low fat, full cream, organic milk, among others, catering to a wider base of consumers. **Plant-based RTD milk** has gained increasing popularity among the vegan community, as well as with consumers who are lactose intolerant. Farm Fresh was also the first to locally introduce lactose-free RTD milk in 2018, catering to lactose intolerant consumers.

Multiple distribution formats: With the increasing penetration and availability of many retail formats within Malaysia (e.g., large format retailers, stockists, dealers, convenience stores, among others), dairy products are becoming more accessible to consumers, including in rural areas. The greater distribution capabilities (e.g., refrigerated vehicles and warehouses) are also driving the market for dairy products, as dairy products can reach consumers faster, and therefore being consumed fresher from the processing facility. In addition, the growth of e-

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[19] Bangladesh Agricultural University: Reproductive performances of different genetic groups of dairy cows under ideal management condition; LiveStockLibrary.com.au: Continuing development of a tropical dairy breed; Australian Friesian Sahiwal Dairy Society: species; Oklahoma State University: Breeds of Livestock, Department of Animal Science: AFS
[20] Frost & Sullivan: based on findings from primary interviews
[21] Based on average lactation length of 305 days
[22] Holstein Australia - About Us, accessed on 10 February 2021
[23] DVS, Microbiological quality of local milk submitted to regional Veterinary Laboratories in 2017, November 2018
[24] Based on data from DVS that was shared with Frost & Sullivan
[25] TPC value as reported by Farm Fresh
[26] Regulation (EC) No 853/2004 of the European Parliament and of the council
[27] United Nations, "2018 Revision of World Urbanization Prospects", May 2018

commerce allows consumers to conveniently purchase food products (including dairy products) from the comfort of their homes.

4.4.2 Market Restraints

Product substitutes: Consumers may switch to milk in powdered forms, which can be stored longer. Powdered milk is generally cheaper than RTD milk by 35%,[28] albeit it has lower nutrient content. It is often a popular choice among Malaysians, especially among consumers within the lower income brackets. Overall, to a broader extent, non-alcoholic beverages (e.g., tea, coffee, energy drinks) can also be considered as substitutes to fulfil the basic need of a drink.

Pricing: The price of milk in Malaysia is generally more expensive when compared to milk prices in other countries. This is mainly due to the demand for milk being greater than the supply within Malaysia, resulting in Malaysia being a net importer. The additional cost is ultimately passed down to consumers.

5 COMPETITIVE LANDSCAPE

The market is fragmented and highly competitive. However, most of the largest dairy brands in Malaysia are not produced by locally integrated dairy companies, since they do not operate a dairy farm locally, but rather own only processing facilities and instead purchase their milk from external parties. Farm Fresh is Malaysia's largest integrated producer of dairy products made from fresh raw milk in 2020. Farm Fresh has the highest number of dairy cattle and the largest production of fresh raw milk among dairy farmers in Malaysia in 2020. Additionally, in 2021, Farm Fresh was the first dairy farm operator in Asia who has earned the internationally recognised Certified Humane® certification by Humane Farm Animal Care for its on-farm operations.[29] Of the Malaysian integrated dairy companies, Farm Fresh has the widest portfolio of locally-manufactured dairy products (RTD milk, yoghurt and plant-based RTD milk) as at January 2022. Farm Fresh distributes its products through various channels, including large format retailers, stockists and home dealers. On top of the retail channel, hotels, restaurants and catering services industry ("**HORECA**") is an important sales channel due to the large volume and value purchased. Farm Fresh is a vertically integrated dairy company in Malaysia with the largest home dealer network, exclusive to the company, for the distribution of its products.

Pricing analysis: Based on the pricing analysis of comparable RTD milk products as at 28th January 2022, Farm Fresh's pricing was relatively lower as compared to that of other brands in the chilled RTD milk segment. However, within the ambient RTD milk segment, Farm Fresh's pricing was higher than its competitors. Farm Fresh's lower price for RTD milk within the chilled segment compared to other brands may indicate the company's capabilities of running efficient operations locally in Malaysia, allowing it to contain costs while providing healthy profits regardless of the lower price point. Vice versa, in the ambient segment, Farm Fresh may command a higher price due to the lower competition from other brands capable of selling UHT RTD milk made from fresh raw milk.

Critical success factors: Among the critical success factors in the Malaysian integrated dairy are (i) ownership of bio asset; (ii) advancement in dairy farm operations; (iii) scale of operations; (iv) technological innovation in milk processing; (v) integrated business model; (vi) extensive distribution network; (vii) diversified product portfolio and flavours; and (viii) consistency in delivering quality products.

Barriers to entry for the upstream players include (i) high capital requirements; (ii) dairy farming management and knowledge, (iii) scarcity of land; and (iv) rules and regulations related to imports of dairy cattle. For midstream and downstream players, the barriers to entry include (i) the need to adhere to food safety and quality standards; (ii) the continuous R&D to meet ever-changing consumer preferences; and (iii) a highly competitive market.

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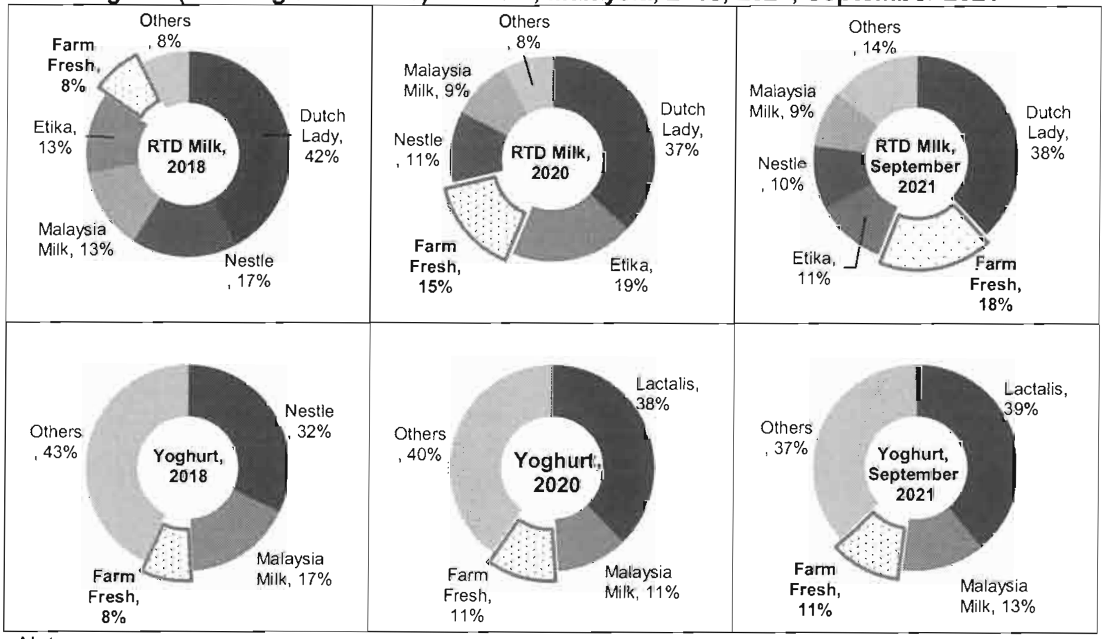
[28] Frost & Sullivan analysis
[29] Certified Humane, Farm Fresh – Malaysia : FIRST CERTIFIED HUMANE® DAIRY COMPANY IN ASIA, accessed in July 2021

5.1 MARKET SHARE

Farm Fresh is among the top three players in both RTD milk and yoghurt categories. Its market share and ranking has increased over the years, and continued to increase compared to other players even up to September 2021, when it still recorded sales growth despite the market recording a slight decline compared to the same period in 2020. Farm Fresh is estimated to be the second largest player in the RTD milk category and the third largest player in the yoghurt category in Malaysia in the first nine months of 2021. Within the same period, Farm Fresh is also estimated to be the market leader in Malaysia in the chilled RTD milk segment.

Chart 5-1: Indicative Market Share of Key Players in the RTD Milk (Chilled and Ambient) and Yoghurt (Drinking and Edible) markets, Malaysia, 2018, 2020, September 2021



Note:

(1) *Lactalis acquired Nestle's drinking yoghurt and edible yoghurt businesses in Malaysia in 2018.*
(2) *Market share is indicative only and according to best efforts based on primary interviews and publicly available information.*
(3) *The total may not add up to 100% due to rounding.*

Source: Frost & Sullivan

Table 5-1: Indicative Market Share of the Farm Fresh Berhad in the RTD Milk and Yoghurt Segments, Malaysia, 2015–2020 and September 2021

Product	Type	2015	2016	2017	2018	2019	2020	September 2021
RTD Milk	Chilled	12%	15%	21%	25%	29%	36%	42%
	Ambient	-	-	-	1%	5%	8%	10%
	Total (Chilled & Ambient)	3%	4%	6%	8%	12%	15%	18%
Yoghurt	Drinking	7%	9%	10%	11%	13%	16%	16%
	Edible	3%	3%	3%	5%	6%	6%	6%
	Total (Drinking & Edible)	5%	6%	6%	8%	9%	11%	11%

Source: Frost & Sullivan

5.2 FRESH VS RECONSTITUTED/RECOMBINED MILK

Ingredients for RTD milk production: RTD milk products in the chilled and ambient segments are either made with fresh raw milk or reconstituted milk[30]/recombined milk.[31] For the production of 100% fresh milk, the raw milk is pasteurised and homogenised then sold as

[30] Reconstituted milk is the liquid milk obtained by adding water to skim milk powder, whole milk powder, or the mix of both skim milk powder and whole milk powder.
[31] Recombined milk is the milk obtained by adding water to the skim milk powder and adding of milk fat separately to achieve the desired fat and total solids content.

chilled, pasteurised fresh milk to retail consumers or as sterilised fresh milk within the ambient segment. For reconstituted milk/recombined milk, fresh milk is replaced partly or fully by different types of milk powders and processed to produce RTD milk products. In Malaysia, companies are required to state the source of milk (e.g., fresh milk, milk powder, milk solids) in the list of ingredients.

Difference between pasteurised milk vs reconstituted/recombined milk: Farm Fresh is the only integrated dairy company of scale in Malaysia that produces (i) chilled RTD milk, (ii) ambient RTD milk, (iii) edible yoghurt, and (iv) drinking yoghurt without using reconstituted / recombined milk and milk from powder sources for its own Farm Fresh branded products. Other companies either do not cover all four of these product categories or use reconstituted / recombined milk or milk powder for the production of some of their own-branded products.

Within the RTD milk segment, the 2020 sale percentage of products made using fresh raw milk is estimated at 29%. The percentage increased over the years as the preference of consumers switched towards better quality and fresh products. The percentage is estimated to grow to reach between 35% and 39% of total by 2025, which translates to a CAGR of between 11% and 14% in the period between 2020 and 2025.

Specifically, within the chilled RTD milk segment, the percentage of products made using fresh raw milk is estimated at 66% in 2020. Within this category, Farm Fresh is estimated to have a market share of 54%. The percentage of products in the chilled segment that are made using fresh raw milk is estimated to reach between 73% and 77% of total by 2025.

Additionally, within the ambient RTD milk segment, the percentage of products made using fresh raw milk is estimated at 16% in 2020, and Farm Fresh is estimated to have a market share of 48%. The percentage of products in the ambient segment that are made using fresh raw milk is estimated to reach between 20% and 24% of total by 2025.

Within the growing fresh milk segment, the market share of Farm Fresh has been growing in the period from 2015 to 2020. Farm Fresh is one of the drivers of this change in the Malaysian market with its growing local production of fresh raw milk.

Table 5-2: Market Share of Farm Fresh Berhad among RTD Milk Products Manufactured with Fresh Milk, Malaysia, 2015–2020

Product	Type	Ingredient	2015	2016	2017	2018	2019	2020
RTD Milk	Chilled & Ambient	Fresh Milk	16%	21%	28%	34%	44%	52%
	Chilled	Fresh Milk	23%	30%	38%	43%	47%	54%
	Ambient	Fresh Milk	-	-	-	11%	38%	48%

Source: Frost & Sullivan

6 OVERVIEW OF THE MARKET IN SINGAPORE

Being a land-scarce nation with limited land for agriculture, local farms in Singapore produce only three agricultural products – vegetables, fish, and eggs. Even these products are produced in small quantities, not sufficient to meet in full the demand by the population of Singapore. Hence, the country imports over 90% of its food supply, including dairy products. Singapore's imports of dairy products reached 452.9 million kg in 2020.[32] Singaporeans consumption per capita of dairy products grew from 41.9 kg in 2015 to 65.4 kg in 2020. The growing consumption per capita was driven by the higher recognition from Singaporeans of dairy products as healthy food, rich in calcium, and good for bones. However, the consumption was in part hindered by the perception of dairy products as a cause of weight gain and gastrointestinal side effects.[33] Nevertheless, Singapore remains an important market for dairy products, due to its multicultural population being accustomed to the international cuisines and varieties of flavours.

Singapore also has a growing market for plant-based RTD milk, driven by its vegan population, the lactose intolerant population, and the ageing population that develops lactose intolerance when getting older due to declining lactase levels.

[32] UN Comtrade, https://comtrade.un.org/data/ accessed on 23 July 2021
[33] Temasek Polytechnic, Milk Perceptions - A Study of Milk Consumption Patterns in Singapore, November 2017

Table 6-1: Market Size of RTD Milk, Yoghurt and Plant-based RTD Milk in Singapore, in SGD Million, 2015–2025F

Country	2015	2020	2025F	CAGR 2015–2020	CAGR 2020–2025F
RTD Milk	191.9	213.0	240.6	2.1%	2.5%
Yoghurt	63.4	78.9	99.9	4.5%	4.8%
Plant-based RTD milk	14.9	19.4	28.8	5.4%	8.3%

Source: Frost & Sullivan

7 OVERVIEW OF THE MARKET IN INDONESIA AND THE PHILIPPINES

With 270.2 million and 108.8 million people in 2020, Indonesia and the Philippines are the two most populous countries in Southeast Asia. The large population represents a huge domestic market for dairy products. With the rising income, growing middle class, and more consumers being conscious of health issues, milk is being looked upon as an important source of protein along with other nutrients. In addition, a larger variety of packaging sizes allow consumers to purchase milk products at different price points based on their needs and affordability. Within the RTD milk segment in Indonesia and the Philippines, **ambient** RTD milk has been more popular than **chilled** RTD milk[34 & 35] due to the logistical challenges created by the vast geographical segregation of both countries. Ambient RTD milk is seen as a more viable option due to its longer shelf life. However, chilled RTD milk is expected to grow due to increased awareness of its nutritional benefits and higher willingness to spend on better quality of content within milk products, especially within the millennial population and in major cities which are better equipped with cold storage facilities.

Indonesia has many cultural similarities with Malaysia, including food culture, and consumers in both countries have similar taste preferences. Accordingly, there is a significant opportunity in the Indonesian market for the growth of flavoured RTD milk products that have been well received in Malaysia, such as kurma milk. The growing number of flavoured RTD milk products is expected to drive consumption of RTD milk in Indonesia. Additionally, similarly to Malaysia, there is high demand for halal products in Indonesia due to its Muslim predominant population. Accordingly, a Malaysian company complying with the Halal requirements is well positioned to effectively penetrate the Indonesian market with innovative Halal-compliant products.

Yoghurt consumption has risen due to increasing health consciousness and product availability. The demand for yoghurt is surging in urban areas as locals adapt to more Western tastes and products. In response, manufacturers are beginning to develop new flavours to suit local tastes. Sales in urban centres are growing due to the greater availability of refrigerated distribution and storage capabilities. More foreign brands set up their production facilities in the country and existing brands introduced new additions to their yoghurt flavour range.

Apart from soy milk, **plant-based milk** is still not popular in Indonesia and the Philippines. Nonetheless, the plant-based milk industry is poised for growth as it caters to vegan consumers and the lactose intolerant population in both countries.

Table 7-1: Market Size of RTD Milk, Yoghurt and Plant-based RTD Milk in Indonesia, in IDR Billion, 2015–2025F

Country	2015	2020	2025F	CAGR 2015–2020	CAGR 2020–2025F
RTD Milk	14,841.5	22,466.4	35,107.2	8.6%	9.3%
Yoghurt	1,583.9	2,326.5	3,745.4	8.0%	10.0%
Plant-based RTD milk	874.5	1,139.6	1,634.0	5.4%	7.5%

Source: Frost & Sullivan

Table 7-2: Market Size of RTD Milk, Yoghurt and Plant-based RTD Milk in the Philippines, in PHP Million, 2015–2025F

Country	2015	2020	2025F	CAGR 2015–2020	CAGR 2020–2025F
RTD Milk	6,067.9	10,092.0	13,815.2	10.7%	6.5%
Yoghurt	2,711.8	4,639.9	6,496.0	11.3%	7.0%
Plant-based RTD milk	1,213.9	2,765.3	3,683.1	17.9%	5.9%

Source: Frost & Sullivan

[34] Indonesia Investments - Ultrajaya Milk Industry, accessed on 11 January 2021
[35] USDA Foreign Agricultural Services, Philippines Dairy and Products Annual, October 2020

8 AUSTRALIA: A KEY PRODUCER OF MILK AND DAIRY PRODUCTS FOR ASIA

Dairy is the fourth largest rural industry in Australia, producing 8,776.0 million litres of milk in 2019/20. Milk production in Australia dropped from 9,805.0 million litres in 2014/15 due to the major widespread 'Millennium drought' in 2002/03, which resulted in consolidation in the industry, with falling cow numbers and dry seasonal conditions constraining the country's milk production. The Australian Dairy Plan was launched in September 2020, which may **increase the national milk production** to 9.6 billion litres by 2025.[36]

Australia is **the fourth largest dairy exporter in the world** as the country's milk production exceeds the volume needed for local consumption, thus creating a marketable surplus for the export markets. Nearly 29% of Australia's milk production in 2019/20 was exported; China, Japan, Singapore, Malaysia, and Indonesia, were the major export markets for Australian milk products. The Australian dairy industry has room to grow further serving the needs of the neighbouring Southeast Asian countries. The ASEAN-6 nations' (Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam) combined dairy trade deficit is expected to reach 19.0 billion litres (liquid milk equivalent) by 2030, creating opportunities for Australia.

Table 8-1: Australia's Top Five Export Partners for Milk Products, 2014/15 – 2019/20

tonnes	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	CAGR 2014/15 – 2019/20
China	136,400	178,000	191,500	230,364	244,828	244,460	**12.4%**
Japan	103,900	103,100	96,000	107,271	98,816	86,269	**-3.7%**
Singapore	86,600	82,800	81,600	77,443	70,119	73,984	**-3.1%**
Malaysia	59,400	58,150	61,800	60,113	61,184	61,858	**0.8%**
Indonesia	51,100	61,000	62,500	56,400	56,647	51,843	**0.3%**

Source: Dairy Australia

The Australian dairy industry has the opportunity to further grow its exports in the Asian region since Australian dairy products are perceived to be of **high quality**.[37]

9 SUMMARY OF PROSPECTS AND OUTLOOK FOR FARM FRESH

In the period between April 2015 and March 2021 Farm Fresh's revenue grew at a CAGR of 55.0%, which is almost 20x the CAGR of 2.8% registered by the expenditure on milk products by Malaysians between 2014 and 2019. Notwithstanding the fast growth achieved in past years, Farm Fresh has the potential to penetrate the Malaysian dairy industry further, and to expand across the region. The company benefits from its integration across the industry's value chain.

The company's dairy farming operations ensure a stable supply of quality fresh raw milk, at a lower cost, making the company less affected by the fluctuation in fresh raw milk prices. Additionally, while the inadaptability of the imported dairy cattle to the local climate has been a challenge to local dairy farmers in Malaysia, leveraging on the AFS breed, a breed primed for tropical dairy farming, Farm Fresh is able to obtain superior milk yields in Malaysia, ensuring a fresh stable supply locally. In addition, the dairy farms operations in Australia provide the company with another source of quality milk for the Malaysian market and to penetrate new markets across the region.

In the midstream segment, Farm Fresh has been continuously innovating, and it was the first in Malaysia to introduce products such as the kurma RTD milk and the lactose-free RTD milk. This enabled the company to continuously capture a greater share of the local market. Over the years, the company has leveraged on the greater attention that Malaysians are placing in maintaining a healthy lifestyle, and it provided them with products made from fresh raw milk, creating a strong foothold in that segment. In addition, leveraging on the wide distribution network via multiple sales channels, Farm Fresh is able to reach a broad range of consumers across different regions in Malaysia. Besides Malaysia, by leveraging on its dairy farming operations in Australia, Farm Fresh has the potential to further expand across the Asia-Pacific region, specifically Indonesia and the Philippines, where the retail environment for RTD milk, yoghurt, and plant-based RTD milk is expected to continue to grow between 2020 and 2025.

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[36] Australia Dairy Plan, Dairy organisations launch bold plan to transform industry profitability, confidence and unity over next five years, November 2020

[37] The limit for high quality milk in Australia is 20,000 CFU/ml

9. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

9.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

9.1.1 Profiles of our Promoters

(i) Loi Tuan Ee

Loi Tuan Ee, a Malaysian aged 59, is our Non-Independent Executive Director, Group Managing Director, Group Chief Executive Officer and one of the co-founders of our Group. He was appointed to our Board on 24 March 2010 and has over 15 years of experience in the dairy industry.

He attended Sekolah Menengah Jenis Kebangsaan Ayer Tawar, Sitiawan, Perak for his secondary education until 1980. He commenced his career with Ayer Hitam Oil Mill Sdn Bhd as a supervisor in 1982. He subsequently joined Kartika Machinery Sdn Bhd in 1984 as a sales representative and was involved in the sales and marketing of industrial products.

He left Kartika Machinery Sdn Bhd to establish Ready Chemical (M) Sdn Bhd and Multiview Enterprise Sdn Bhd in 1984, companies which were principally involved in the sale of household care products and the sale of packaging materials respectively. In 1991, he joined Century Bond Berhad as a director before being redesignated as Deputy Managing Director in 2002 where he was responsible for, amongst others, developing and managing strategic plans for the group.

In 2005, he left Century Bond Berhad to venture into the farming business through the establishment of Rainforest Capital where he was the Managing Director. In 2010, he co-founded The Holstein Milk Company Sdn Bhd and was instrumental in expanding our Group's operations in the dairy business since.

As our Group Managing Director, he is primarily responsible for the business development and direction, strategic corporate planning and the overall operations and management of our Group.

Under Loi Tuan Ee's leadership, our Group was awarded "Best Dairy Farm" by Asia Livestock in 2015 and in 2020, our Group received the ASEAN Inclusive Business Award. In his personal capacity, his notable achievements include being selected as an "Endeavour Entrepreneur" at the 65th Endeavour International Selection Panel in Bali in July 2016 as well as being nominated for Ernst & Young's Malaysia Entrepreneur of the Year in 2016.

Loi Tuan Ee was appointed as a permanent executive committee member of the National Food Security Council on 17 June 2020. He was also appointed as a committee member of the Program Review Committee of Universiti Putra Malaysia's faculty of educational studies on 22 July 2021.

He is the brother to both Loi Tuan Kin and Loi Foon Kion.

Loi Tuan Ee currently holds directorships in other private limited companies.

(ii) Rainforest Capital

Rainforest Capital was incorporated in Malaysia under the Companies Act, 1965 on 12 September 2005 as a private limited company under its present name and deemed registered under the Act. The principal activity of Rainforest Capital is investment holding. Apart from its shareholding in our Company, Rainforest Capital also holds investments in the form of ordinary shares in Rainforest Arowana Sdn Bhd and Rainforest Produce Sdn Bhd, companies which are principally involved in the rearing, farming and commercial captive breeding of Asian arowana and the cultivation of oil palm, as at the LPD.

As at the LPD, the issued share capital of Rainforest Capital is RM43,100,001 comprising 15,100,001 ordinary shares of RM15,100,001 and 28,000,000 irredeemable convertible preference shares ("**ICPS 1**") of RM28,000,000. The conversion rights of the ICPS 1 will extinguish upon our Listing.

The shareholders of Rainforest Capital and their respective shareholdings in the ordinary shares and the ICPS 1 in Rainforest Capital are as follows:

	Ordinary shares				ICPS 1			
	Direct		Indirect		Direct		Indirect	
Shareholder	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
Loi Tuan Ee	7,565,001	50.10	-	-	-	-	-	-
Loi Tuan Kin	1,510,000	10.00	-	-	-	-	-	-
Loi Foon Kion	6,024,999	39.90	-	-	-	-	-	-
Cahaya Bintang	1	*	-	-	28,000,000	100.00	-	-
Cahaya Bintang Holdings Ltd	-	-	(3)1	*	-	-	(3)28,000,000	100.00
Diamond GP Holdings II Ltd	-	-	(4)1	*	-	-	(4)28,000,000	100.00
Dymon Asia Private Equity (S.E. Asia) II Ltd ("**DAPE (S.E.A.)**")	-	-	(5)1	*	-	-	(5)28,000,000	100.00
DAPE Ltd	-	-	(6)1	*	-	-	(6)28,000,000	100.00
Dymon Asia Capital Ltd	-	-	(7)1	*	-	-	(7)28,000,000	100.00
Tan Keng Soon(1)	-	-	(7)1	*	-	-	(7)28,000,000	100.00
Yong Ming Chong(2)	-	-	(8)1	*	-	-	(8)28,000,000	100.00
Total	**15,100,001**	**100.00**			**28,000,000**	**100.00**		

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

Notes:

* *Less than 0.01%.*

(1) *Tan Keng Soon is the co-founder of Dymon Asia Capital Ltd.*

(2) *Yong Ming Chong is the co-founder, Chief Executive Officer and the Chief Investment Officer of Dymon Asia Capital Ltd.*

(3) *Deemed interested through Cahaya Bintang pursuant to Section 8 of the Act.*

(4) *Deemed interested through Cahaya Bintang Holdings Ltd pursuant to Section 8 of the Act.*

(5) *Deemed interested through Diamond GP Holdings II Ltd pursuant to Section 8 of the Act.*

(6) *Deemed interested through DAPE (S.E.A.) pursuant to Section 8 of the Act.*

(7) *Deemed interested through DAPE Ltd pursuant to Section 8 of the Act.*

(8) *Deemed interested through Dymon Asia Capital Ltd pursuant to Section 8 of the Act.*

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(iii) Farmchoice Foods

Farmchoice Foods was incorporated in Malaysia under the Companies Act, 1965 on 13 July 2011 as a private limited company under its present name and deemed registered under the Act. The principal activity of Farmchoice Foods is investment holding. Apart from its shareholding in our Company, Farmchoice Foods does not hold any other investments, as at the LPD.

As at the LPD, the issued share capital of Farmchoice Foods is RM19,010,002 comprising 5,010,002 ordinary shares of RM5,010,002 and 14,000,000 irredeemable convertible preference shares ("**ICPS 2**") of RM14,000,000. The conversion rights of the ICPS 2 will extinguish upon our Listing.

The shareholders of Farmchoice Foods and their respective shareholdings in the ordinary shares and the ICPS 2 in Farmchoice Foods are as follows:

	Ordinary shares				ICPS 2			
	Direct		Indirect		Direct		Indirect	
Shareholder	No.	%	No.	%	No.	%	No.	%
Loi Tuan Ee	3,181,353	63.50	(4)620,739	12.39	-	-	-	-
Loi Tuan Kin	251,001	5.01	-	-	-	-	-	-
Azmi Bin Zainal	251,000	5.01	-	-	-	-	-	-
Adam Graeme Pretty	85,170	1.70	-	-	-	-	-	-
Mawai Capital	620,739	12.39	-	-	-	-	-	-
Loh Yong Huat(1)	-	-	(4)620,739	12.39	-	-	-	-
Cahaya Bintang	620,739	12.39	-	-	14,000,000	100.00	-	-
Cahaya Bintang Holdings Ltd	-	-	(5)620,739	12.39	-	-	(5)14,000,000	100.00
Diamond GP Holdings II Ltd	-	-	(6)620,739	12.39	-	-	(6)14,000,000	100.00
DAPE (S.E.A.)	-	-	(7)620,739	12.39	-	-	(7)14,000,000	100.00
DAPE Ltd	-	-	(8)620,739	12.39	-	-	(8)14,000,000	100.00
Dymon Asia Capital Ltd	-	-	(9)620,739	12.39	-	-	(9)14,000,000	100.00
Tan Keng Soon(2)	-	-	(9)620,739	12.39	-	-	(9)14,000,000	100.00
Yong Ming Chong(3)	-	-	(10)620,739	12.39	-	-	(10)14,000,000	100.00
Total	**5,010,002**	**100.00**			**14,000,000**	**100.00**		

Notes:

(1) Loh Yong Huat is a third party individual and has no association or family relationship with the Promoters, Directors and key senior management of our Company.

(2) Tan Keng Soon is the co-founder of Dymon Asia Capital Ltd.

(3) Yong Ming Chong is the co-founder, Chief Executive Officer and the Chief Investment Officer of Dymon Asia Capital Ltd.

(4) Deemed interested through Mawai Capital pursuant to Section 8 of the Act.

(5) Deemed interested through Cahaya Bintang pursuant to Section 8 of the Act.

(6) Deemed interested through Cahaya Bintang Holdings Ltd pursuant to Section 8 of the Act.

(7) Deemed interested through Diamond GP Holdings II Ltd pursuant to Section 8 of the Act.

(8) Deemed interested through DAPE (S.E.A.) pursuant to Section 8 of the Act.

(9) Deemed interested through DAPE Ltd pursuant to Section 8 of the Act.

(10) Deemed interested through Dymon Asia Capital Ltd pursuant to Section 8 of the Act.

9.1.2 Profiles of our Substantial Shareholders

Save for the profiles of Loi Tuan Ee, Rainforest Capital and Farmchoice Foods which are set out in Section 9.1.1 of this Prospectus, the profiles of our other Substantial Shareholders are as follows:

(i) Agrifood Resources

Agrifood Resources was incorporated in Malaysia under the Companies Act, 1965 on 30 December 2011 as a private limited company under the name of Mount Danum Ventures Sdn Bhd and is deemed registered under the Act. On 6 April 2012, it changed its name to Agrifood Resources Holdings Sdn Bhd. The principal activities of Agrifood Resources are that of a strategic investment holding company, holding directly or indirectly, all individual investments in the agrifood sector, including horticulture, aquaculture, herbal ingredients and dairy products and cold chain logistics and the provision of management services, advisories and corporate shared services.

As at the LPD, the issued share capital of Agrifood Resources is RM692,164,372 comprising 69,104,935 ordinary shares and 623,059,437 preference shares. The shareholders of Agrifood Resources and their respective shareholdings are as follows:

			Ordinary shares				Preference shares			
			Direct		Indirect		Direct		Indirect	
Shareholder	**Registration no.**	**Country of incorporation**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
Khazanah[(1)]	199301020767 (275505-K)	Malaysia	69,104,935	100.00	-	-	623,059,437	100.00	-	-

Note:

(1) A sovereign wealth fund formed under the laws of Malaysia.

(ii) Khazanah

Khazanah was incorporated under the Companies Act, 1965 on 3 September 1993 as a public limited company and began operations a year later. Except for one share owned by the Federal Land Commissioner, all of the share capital of Khazanah is owned by the Minister of Finance Incorporated.

(iii) Loi Foon Kion

Loi Foon Kion, a Malaysian aged 55, is our Substantial Shareholder and Non-Independent Non-Executive Director. For details on Loi Foon Kion's profile, please see Section 9.2.1(ii) of this Prospectus.

9.1.3 Background and details of Cahaya Bintang

Cahaya Bintang (as a general partner for Cahaya Bintang, L.P.) is a special purpose vehicle incorporated under the laws of the Cayman Islands on 19 April 2018, which is wholly-owned indirectly by DAPE (S.E.A.) (as general partner for and on behalf of Dymon Asia Private Equity (S.E. Asia) Fund II, L.P.) (collectively, "**Dymon Asia**"). Dymon Asia is managed by Dymon Asia Private Equity (Singapore) Pte Ltd, a Singapore-based fund manager which is regulated by the Monetary Authority of Singapore and holds a capital markets services licence to conduct business in fund management.

Dymon Asia is focused on making private equity investments in companies in the lower mid-market space, or small and medium enterprises, in Southeast Asia. In August 2018, Cahaya Bintang invested into our Company by subscribing for and purchasing the following securities in Rainforest Capital and Farmchoice Foods:

(i) subscribed for 1 ordinary share and 28,000,000 ICPS 1 in Rainforest Capital ("**RC Subscription Shares**") for a total consideration of RM28,000,001; and

(ii) purchased 1,241,478 ordinary shares in Farmchoice Foods from Loi Tuan Ee and Loi Tuan Kin and subscribed for 14,000,000 ICPS 2 in Farmchoice Foods for a total consideration of RM29,000,000,

which proceeds were injected into our Company and used by our Group to expand our production capacity in our Larkin Facility and Muadzam Shah Facility as well as invest in farm barns, buildings and equipment in our UPM Farm, Desaru Farm and Greater Shepparton Farm.

On 24 March 2021, Loi Tuan Ee, through Mawai Capital, had exercised a call option granted by Cahaya Bintang where it has been agreed between Loi Tuan Ee and Cahaya Bintang that Loi Tuan Ee's right to the call option be assigned to Mawai Capital which in turn resulted in Mawai Capital acquiring 620,739 ordinary shares in Farmchoice Foods held by Cahaya Bintang for a total cash consideration of RM16 million. Following the completion of the acquisition by Mawai Capital under the said call option, Cahaya Bintang holds 620,739 ordinary shares and 14,000,000 ICPS 2 in Farmchoice Foods as at the LPD.

On 25 September 2021, Loi Tuan Ee and Cahaya Bintang agreed that Loi Tuan Ee shall acquire the (i) RC Subscription Shares; (ii) 310,370 ordinary shares in Farmchoice Foods; and (iii) 14,000,000 ICPS 2 in Farmchoice Foods ("**FF Shares**") (collectively, the "**Sale Securities**") from Cahaya Bintang for cash.

The purchase consideration for the Sale Securities is set out below:

Target company	Sale Securities	Purchase consideration (RM)
Rainforest Capital	1 ordinary share	1.00
	28,000,000 ICPS 1	48,695,652.17[(1)]
Farmchoice Foods	FF Shares	Please see Note 2
	14,000,000 ICPS 2	24,347,826.09[(1)]

Notes:

(1) Calculated based on the conversion discount of 42.5% (if the date of our Listing takes place on or prior to 30 June 2022) as per the terms of the ICPS 1 in Rainforest Capital and ICPS 2 in Farmchoice Foods, respectively as follows:

Sale Securities	**Purchase consideration (RM)**
28,000,000 ICPS 1	*ICPS 1 subscription price / (1-0.425)* *= RM28,000,000 / (1-0.425)* *= RM48,695,652.17*
14,000,000 ICPS 2	*ICPS 2 subscription price / (1-0.425)* *= RM14,000,000 / (1-0.425)* *= RM24,347,826.09*

(2) The purchase consideration for the FF Shares is calculated based on the following formula:

Effective interest of Cahaya Bintang in our Company prior to our IPO (based on its holding of FF Shares) = 1.45% x *Pre-money valuation of our Company or the value of our Company prior to the issuance of any new shares pursuant to our IPO*

For illustrative purposes, based on a pre-money valuation of our Company of RM2.2 billion (or an expected market capitalisation of RM2.5 billion), the purchase consideration for the FF Shares is estimated to be RM31.9 million.

On the date of our Listing, the following events will take place:

(i) **Cash dividend:** Rainforest Capital and Farmchoice Foods will declare a cash dividend (subject to available reserves) up to the amount of their respective net proceeds to be received pursuant to the offer for sale under our IPO to be paid to their respective shareholders after the date of our Listing but in any event not later than the Completion Date ("**Dividend Payment**").

"**Completion Date**" means the date falling 3 business days after the date of our Listing, subject to Bursa Depository's approval for the transfer of the Shares from Farmchoice Foods to Cahaya Bintang ("**Bursa Approval**") being obtained. If Bursa Approval is not obtained within 3 business days after the date of our Listing, completion of the sale and purchase of the Sale Securities will take place on the next business day when Bursa Approval is obtained and no later than 7 business days from the date of our Listing or such other date as Cahaya Bintang and Loi Tuan Ee may agree.

Cahaya Bintang will renounce its rights to receive its entitlement of the Dividend Payment in favour of Loi Tuan Ee, subject to the completion of the sale and purchase of the Sale Securities.

On the Completion Date, Loi Tuan Ee will complete the purchase of the Sale Securities from Cahaya Bintang using his entitlement of the cash dividend following the Dividend Payment.

(ii) **Dividend-in-specie:** Specifically, in respect of Cahaya Bintang's remaining shareholdings of 310,369 ordinary shares in Farmchoice Foods ("**Remaining FF Shares**"), Farmchoice Foods will declare a dividend-in-specie ("**Dividend-in-Specie**") to the shareholders of Farmchoice Foods, which shall be renounced by the other shareholders of Farmchoice Foods in favour of Cahaya Bintang. Pursuant to such declaration of Dividend-in-Specie and renunciation, subject to Bursa Approval, Farmchoice Foods will transfer 23,633,900 Shares, representing about 1.272% of the issued share capital of our Company from Farmchoice Foods to Cahaya Bintang on the Completion Date ("**Dividend-in-Specie Payment**"), calculated based on the formula below ("**Farm Fresh Shares Percentage**"):

Farm Fresh Shares Percentage = A x B = **1.272%**

Where:

		Formula
A =	**6.195%**	Remaining FF Shares ÷ Total number of ordinary shares in Farmchoice Foods
B =	**20.533%**	Total number of Shares owned by Farmchoice Foods before our IPO ÷ Total number of Shares after our IPO

Loi Tuan Ee and the other shareholders of Farmchoice Foods will renounce their entitlement of the Dividend-in-Specie in favour of Cahaya Bintang. Upon completion of the Dividend-in-Specie Payment on the Completion Date, Cahaya Bintang will transfer the Remaining FF Shares to Loi Tuan Ee for a nominal purchase consideration of RM1.00.

Accordingly, upon the receipt of Bursa Approval for the abovementioned transfer, Cahaya Bintang will hold 23,633,900 Shares (or about 1.272% equity interest in our Company) and will no longer hold any securities in Rainforest Capital and Farmchoice Foods. On the other hand, Loi Tuan Ee will hold directly and indirectly, 7,565,002 ordinary shares (or 50.10% equity interest) in Rainforest Capital and 4,422,831 ordinary shares in Farmchoice Foods (or 88.28% equity interest). As such, Loi Tuan Ee will remain as the controlling shareholder of Rainforest Capital and Farmchoice Foods.

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

However, if Bursa Approval is not obtained by the seventh business day after the date of our Listing (or such other date as Cahaya Bintang and Loi Tuan Ee may agree) ("**Approval Date**"), Loi Tuan Ee shall grant Cahaya Bintang the right to require Loi Tuan Ee to purchase all (or any part) of the Remaining FF Shares ("**Put Option**") at a consideration calculated based on the following formula:

23,633,900 Shares x Farm Fresh 5-day VWAP(1)

Note:

(1) Farm Fresh 5-Day VWAP means the 5-day volume weighted average price of the Shares as traded on the Main Market of Bursa Securities up to and including the market day immediately prior to the date a written notice is served on Loi Tuan Ee setting out Cahaya Bintang's intention to require Loi Tuan Ee to purchase all (or any part of) the Remaining FF Shares (excluding the date of such notice).

The Put Option is only exercisable by Cahaya Bintang at any time during a three-month period after the expiry of the moratorium period of six months from the date of our Listing or such other time frame as may be imposed by the SC on Shares held by Farmchoice Foods. In such an event, Cahaya Bintang will continue to hold the Remaining FF Shares until such time the Put Option is exercised by Cahaya Bintang.

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9.1.4 Shareholdings of our Promoters and Substantial Shareholders

The following table sets out the direct and indirect shareholdings of our Promoters and Substantial Shareholders in our Company before and after our IPO:

						After our IPO											
		Shareholding after the Pre-IPO Exercise[(1)]				Assuming the Over-allotment Option is not exercised[(2)]				Assuming the Over-allotment Option is fully exercised[(2)]				Upon Listing and assuming exercise of the ESOS Options[(3)]			
	Nationality/ Country of Incorporation	Direct		Indirect		Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name		No. of Shares	%	No of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Promoters and Substantial Shareholders																	
Loi Tuan Ee	Malaysian	1	*	[(4)]1,144,500,135	70.00	1	*	[(4)]849,604,935	45.73	1	*	[(4)]827,309,535	44.52	5,000,001	0.26	[(4)]827,309,535	43.65
Rainforest Capital	Malaysia	763,000,115	46.67	-	-	582,159,215	31.33	-	-	571,011,515	30.73	-	-	571,011,515	30.13	-	-
Farmchoice Foods	Malaysia	381,500,020	23.33	-	-	[(7)]267,445,720	14.39	-	-	[(7)]256,298,020	13.79	-	-	[(7)]256,298,020	13.52	-	-
Substantial Shareholders																	
Agrifood Resources	Malaysia	490,500,000	30.00	-	-	241,534,100	13.00	-	-	219,238,600	11.80	-	-	219,238,600	11.57	-	-
Khazanah	Malaysia	-	-	[(5)]490,500,000	30.00	-	-	[(5)]241,534,100	13.00	-		[(5)]219,238,600	11.80	-	-	[(5)]219,238,600	11.57
Loi Foon Kion	Malaysian	-	-	[(6)]763,000,115	46.67	-	-	[(6)]582,159,215	31.33	-		[(6)]571,011,515	30.73	-	-	[(6)]571,011,515	30.13

Notes:

* *Less than 0.01%.*

(1) *Based on our issued share capital of 1,635,000,137 Shares after the Pre-IPO Exercise.*

(2) *Based on our enlarged issued share capital of 1,857,954,837 Shares upon Listing and assuming full subscription of our Issue Shares allocated under the Pink Form Allocations.*

(3) *Based on our enlarged issued share capital of 1,895,113,837 Shares after assuming full exercise of the 37,159,000 ESOS Options intended to be offered as described in Section 4.2.6 of this Prospectus.*

(4) Deemed interested through Rainforest Capital and Farmchoice Foods pursuant to Section 8 of the Act.

(5) Deemed interested through Agrifood Resources pursuant to Section 8 of the Act.

(6) Deemed interested through Rainforest Capital pursuant to Section 8 of the Act.

(7) Excluding 23,633,900 Shares, representing 1.27% equity interest in our Company, to be declared as a dividend-in-specie by Farmchoice Foods to Cahaya Bintang as described in Section 9.1.3 of this Prospectus.

Our Promoters and Substantial Shareholders do not have different voting rights from other shareholders of our Company as all our Shares before and after our IPO are of the same class.

Save as disclosed above, we are not aware of any person who, directly or indirectly, jointly or severally, exercise control over our Company. There is no arrangement between our Company and our shareholders with any third parties, the operation of which may result in the change in control of our Company.

9.1.5 Changes in our Promoters' and Substantial Shareholders' shareholdings in our Company for the past three years

Save for the issuance of Shares to our Promoters and the Substantial Shareholders pursuant to the Pre-IPO Exercise and the allotment of our Shares as detailed in Sections 4.2.1 and 6.1.2 of this Prospectus, there has been no change in our Promoters' and Substantial Shareholders' shareholdings in our Company for the past three years preceding the LPD.

9.1.6 Benefits paid or intended to be paid or given to our Promoters and Substantial Shareholders

Save as disclosed in Section 9.2.5 of this Prospectus, there are no other amounts or benefits paid or intended to be paid or given to any of our Promoters and Substantial Shareholders by our Company within the two years preceding the date of this Prospectus.

9.2 BOARD OF DIRECTORS

Our Board acknowledges and takes cognisance of the MCCG which contains recommendations to improve upon or to enhance corporate governance as an integral part of the business activities and culture of such companies.

Our Company has adopted the recommendations under the MCCG to have a Board comprising a majority of Independent Non-Executive Directors.

With that, our Board believes that our current Board composition provides the appropriate balance in terms of skills, knowledge and experience to promote the interests of all shareholders and to govern our Group effectively. Our Board is also committed to achieving and sustaining high standards of corporate governance.

Within the limits set by our Constitution, our Board is responsible for the governance and management of our Group. To ensure the effective discharge of its functions, our Board has set out the following key responsibilities in the board charter, which serves as a reference source and guidance to assist our Board in performing their fiduciary duties:

(i) Setting the corporate values and promoting together with the senior management, good corporate governance culture within our Group, which reinforces ethical, prudent and professional behaviour and ensuring that its obligations to shareholders and other stakeholders are met.

(ii) Reviewing and adopting a strategic plan for our Group:

  (a) Review, challenge and decide on the management's proposal on a strategic plan for our Group by bringing objectivity and breadth of judgment to the strategic planning process;

  (b) Review and oversee the implementation of the strategic business plan for our Group to ensure that it supports long-term value creation and includes strategies on economic, environmental, safety and health, social and governance considerations underpinning sustainability;

  (c) Together with management, take responsibility for the governance of sustainability in our Group including setting our Group's sustainability strategies, priorities and targets; and

  (d) Monitor the implementation of the strategic plan by the management.

(iii) Overseeing the conduct of our Group's business:

  (a) Oversee the conduct of our Group's business, including the formulation of strategy and performance objectives, control and accountability systems, corporate governance framework, risk management practices and human capital management;

  (b) Approve and monitor progress of major capital expenditure, fund-raising, acquisitions and divestitures;

  (c) Supervise and assess the performance of the management to determine whether the business is being properly managed and ensure that appropriate measures are in place against which the management's performance can be assessed;

  (d) Review, challenge and decide on the management's proposals for our Group and monitor its implementation by the management; and

  (e) Monitor compliance with established policies and procedures.

(iv) Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures:

(a) Understand the principal risks of our Group's business and recognise that business decisions involve the taking of appropriate risks;

(b) Fulfil statutory and fiduciary responsibilities by monitoring the operational, financial and risk management processes of our Group and ensuring that internal control procedures are in place;

(c) Set the risk appetite within which our Board expects the management to operate and ensure that there is a sound risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks; and

(d) Complying with environment, safety and health legislation by understanding the operations being carried out by employees and the hazards and risks associated with such operations.

(v) Succession Planning:

(a) Ensure the senior management has the necessary skills and experience; and

(b) Ensure measures are in place to provide for orderly succession planning of our Board and senior management, including appointing, training, fixing the compensation of and, where appropriate, replacing the senior management.

(vi) Overseeing the development and implementation of a stakeholder communications policy for our Group:

(a) Ensure that our Group has in place a policy to enable effective communication with its stakeholders. This policy should include how feedback received from our stakeholders is considered by our Group when making business and other decisions; and

(b) Ensure that our Group's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

(vii) Reviewing the adequacy and the integrity of the management information and internal control systems of our Group, including systems for compliance with applicable laws, regulations, rules, directives and guidelines:

(a) Ensure that there is a sound framework of reporting on internal controls and regulatory compliance;

(b) Review the efficiency and quality of our Group's financial reporting process and systems of accounting and internal controls; and

(c) Ensuring the integrity of our Group's financial and non-financial reporting and ensure that all our directors are able to understand financial statements and form a view on the information presented.

In addition, the roles and responsibilities of our Independent Non-Executive Chairman ("**Board Chairman**") are clearly segregated to further enhance and preserve a balance of authority and accountability. Our Board Chairman is primarily responsible for the following:

(i) providing leadership for our Board so that our Board can perform its responsibilities effectively;

(ii) taking a leading role in establishing an effective corporate governance system and practices, including the board charter and the terms of references for the board committees, a committee structure and ensuring that induction as well as on-going education programmes for our Directors are in place;

(iii) setting the agenda for each board meeting, together with our company secretaries and our Group Chief Executive Officer;

(iv) ensuring the provision of accurate, complete, timely and clear information to the our Directors;

(v) managing the boardroom dynamics by promoting a culture of openness and debate, encouraging active participation and allowing dissenting views to be freely expressed;

(vi) leading Board meetings and discussions;

(vii) ensuring that our Directors are properly briefed on issues arising at Board meetings in a timely manner;

(viii) ensuring adequate time is allocated for discussion of issues tabled to our Board for deliberation;

(ix) ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to our Board as a whole;

(x) arranging for regular evaluation of the performance of our Board, board committees and individual directors, including discussing the performance assessment with individual directors and the board committees' chairmen;

(xi) ensuring that prior to any new appointments to our Board, an assessment is undertaken on the candidate which may include a competency and behavioural analysis of the candidate; and

(xii) ensuring that our Board and senior management succession planning is considered on an ongoing basis.

On the other hand, our Group Managing Director and Group Chief Executive Officer is primarily responsible for the execution of business plans in line with our Board's direction and drives the business and performance towards achieving our Group's vision and goals as well as the day-to-day management of our Group, within the authorities as delegated by our Board.

The details of the members of our Board and the details of the date of expiration of the current term of office for each of our Directors and the period that each of our Directors has served in that office as at the LPD are as follows:

Director	Designation	Age	Date of appointment	Date of expiration of the current term of office at AGM	No. of years and months in office
Tan Sri Dato' Seri Haji Megat Najmuddin Bin Datuk Seri Dr Haji Megat Khas	Independent Non-Executive Chairman	78	25 September 2021	Subject to retirement by rotation at the AGM in 2022	4 months
Loi Tuan Ee	Non- Independent Executive Director, Group Managing Director and Group Chief Executive Officer	59	24 March 2010	Subject to retirement by rotation at the AGM in 2022	11 years and 10 months
Loi Foon Kion	Non- Independent Non-Executive Director	55	25 September 2021	Subject to retirement by rotation at the AGM in 2022	4 months
Tan Mei Shwen Serena	Non-Independent Non-Executive Director	44	2 April 2020	Subject to retirement by rotation at the AGM in 2022	1 year and 10 months
Sukanta Kumar Dutt	Independent Non-Executive Director	64	25 September 2021	Subject to retirement by rotation at the AGM in 2022	4 months
Dato' Dr Quaza Nizamuddin Bin A. Hassan Nizam	Independent Non-Executive Director	62	25 September 2021	Subject to retirement by rotation at the AGM in 2022	4 months
Jocelyn Ng Lai Leng	Independent Non-Executive Director	58	25 September 2021	Subject to retirement by rotation at the AGM in 2022	4 months

None of our other Directors represents any corporate shareholder on our Board except for (a) Loi Tuan Ee, who is a representative of Rainforest Capital and Farmchoice Foods; and (b) Tan Mei Shwen Serena who is a representative of Agrifood Resources. For details on family relationships between our Directors, please see Section 9.5 of this Prospectus.

9.2.1 Profiles of our Directors

Save for the profile of Loi Tuan Ee which is set out in Section 9.1.1 of this Prospectus, the profiles of our other Directors are as follows:

(i) Tan Sri Dato' Seri Haji Megat Najmuddin Bin Datuk Seri Dr Haji Megat Khas

Tan Sri Dato' Seri Haji Megat Najmuddin Bin Datuk Seri Dr Haji Megat Khas, a Malaysian aged 78, is our Independent Non-Executive Chairman. He was appointed to our Board on 25 September 2021.

He graduated with an Honours Degree in Law from the University of Singapore in 1970. Upon graduation, he commenced his career as an Executive Trainee with First National City Bank (now Citibank) for 2 years until 1972. Thereafter, he commenced legal practice and practiced at a leading law firm in Kuala Lumpur for another 2 years, after which he went on to establish his own law firm, Megat Najmuddin, Leong & Co.

He retired from legal practice in 1986 and went into politics. He was also once the UMNO Chief of Petaling Jaya.

He was elected as the State Assemblyman of Kelana Jaya for two terms, from 1986 until 1990 and from 1990 until 1995. He was also a municipal councillor for Majlis Perbandaran Petaling Jaya and Majlis Perbandaran Subang Jaya for 20 years. He had a stint as the Chairman of the Public Accounts Committee of the Selangor State Assembly and was once a director of the Selangor Agricultural Development Corporation and the Selangor Industrial Corporation, respectively. He left active politics in 1995.

In the late 1990s, he was appointed as member of the National Economic Consultative Council 2 (NECC 2) by the then Prime Minister of Malaysia, where he was involved in human resource development. In September 1999, he was also appointed to the Capital Market Strategic Committee by the then Finance Minister of Malaysia and in August 2001, he was appointed as member of the Corporate Debt Restructuring Committee (CDRC) of Bank Negara Malaysia ("**BNM**").

He was elected as an Executive Committee Member of the Federation of Public Listed Companies ("**FPLC**") in August 1994 and was appointed as its President in October 1997. He represented the FPLC to the High Level Finance Committee of the Ministry of Finance Malaysia until 2000.

He was a member of BNM's Financial Directors' Education Steering Committee (FIDE). He was also one of the first members of the Malaysian Anti-Corruption Commission (MACC) when it was established to replace the Anti-Corruption Agency (ACA). He also served as an Independent Non-Executive Director of Petroliam Nasional Berhad (PETRONAS) from April 2010 until April 2017. He retired as the Chairman of Omesti Berhad (formerly known as Formis Resources Berhad) and as Advisor of Tradewinds Corporation Berhad in January 2018 whilst in June 2018, he retired as Chairman of Majuperak Holdings Berhad. He is currently the Chairman of Asian Pac Holdings Berhad and SEG International Berhad. On 1 July 2020, he was recently appointed as Chairman of Sime Darby Plantations Berhad.

Presently, he is the Honorary Patron of the Malaysian Institute of Corporate Governance (MICG), of which he was its first President and founder from April 1998 until 2015. He is also a member of Transparency International Malaysia (TIM) and holds chairmanships in a number of non-listed companies namely, the Malaysian Institute of Management (MIM), Ulink Ascot Sdn Bhd and Kuber Venture Berhad. Recently in February 2021, he was appointed as Advisor of Dialog Corporate Sdn Bhd whilst in March 2021, he was appointed as Chairman of MYSJ Sdn Bhd (MySejahtera).

On the social front, he is the current President of Persatuan Darul Ridzuan in Wilayah Persekutuan Kuala Lumpur and Selangor (a welfare organisation). He was the President of Kelab Golf Negara Subang for 6 years and is the Advisor and Trustee of the Tan Sri Muhiyiddin Charity Golf Foundation.

He is also a Trustee of MyKasih (Charity) Foundation and the Vijayaratnam Foundation, as well as a council member of Quest International University in Perak, Malaysia.

He has no family relationship with our Promoters, Substantial Shareholders, other Directors and key senior management of our Group.

(ii) Loi Foon Kion

Loi Foon Kion, a Malaysian aged 55, is our Non-Independent Non-Executive Director and Substantial Shareholder. She was appointed to our Board on 25 September 2021.

She graduated with a Bachelor of Science (First Class Honours) in Food Science and Nutrition from Universiti Kebangsaan Malaysia in 1991. She commenced her career with Wattie Food Services Sdn Bhd in 1991 as a food technologist and was subsequently promoted to quality assurance officer, where she was primarily responsible in setting up the company's quality assurance program and food safety standards.

In 1994, she joined T.A.S. Leisure Sdn Bhd ("**T.A.S. Leisure**") as Special Projects and Administration Manager where she was involved in procurement, quality assurance and finance matters. She was also a member of the pioneer team of T.A.S. Leisure which was instrumental in the establishment of the first two Chilli's Grill & Bar outlets in Kuala Lumpur, Malaysia.

She left T.A.S Leisure in 1997 to join Interni Asia Sdn Bhd ("**Interni Asia**"), a company principally involved in interior furnishing as a General Manager. She left Interni Asia in 1999 and was on a seven-year sabbatical to pursue her personal interests. In 2006, she joined Rainforest Capital (as an Executive Director, which is an investment holding company founded by her brother, Loi Tuan Ee). Loi Foon Kion currently holds directorships in other private limited companies.

She also holds a Certified Diploma in Accounting and Finance from The Chartered Association of Certified Accountants since 1996.

She is the sister to both Loi Tuan Ee and Loi Tuan Kin.

(iii) Tan Mei Shwen Serena

Tan Mei Shwen Serena, a Malaysian aged 44, is our Non-Independent Non-Executive Director. She was appointed to our Board on 2 April 2020.

She graduated from Macquarie University, Australia in 1999 with a Bachelor of Commerce, Accounting and Finance and subsequently obtained a Master of Business Administration from the Massachusetts Institute of Technology (MIT) Sloan School of Management, USA in 2013.

She commenced her career with Bell Securities in Australia, as an equity research assistant from 1998 to 1999. Upon her return to Malaysia in 2000, she joined OSK Research, Malaysia as an equity investment analyst. She then joined McKinsey & Company as a senior analyst in 2001 and subsequently the Boston Consulting Group in 2003 as an associate.

In 2005, she joined Khazanah where she is currently the Executive Director of Investments, and Head of Private Markets and Financial Institutions Group. During her time in Khazanah, she has been seconded to several Khazanah investee companies, including, Lippo Bank (now known as PT Bank CIMB Niaga Tbk) in Indonesia.

She has served on the boards of CIMB Bank Berhad and CIMB Group Holdings Berhad as a non-independent non-executive director since 2017 and 2020, respectively. She was also appointed as an independent non-executive director to the Board of Aviva Singlife Holdings Pte. Ltd., where she has served since 2020.

She has no family relationship with our Promoters, Substantial Shareholders, other Directors and key senior management of our Group.

(iv) Sukanta Kumar Dutt

Sukanta Kumar Dutt, a Malaysian aged 64, is our Independent Non-Executive Director.

He was appointed to our Board on 25 September 2021 and has extensive experience in the fields of governance, financial reporting and risk management, having worked for 42 years at Messrs. Ernst & Young ("**EY**").

He commenced his career with EY as a trainee in 1977 and rose to admission as an audit partner in 1991. His work experience spanned supporting and leading roles on audit engagements and corporate exercises such as mergers and acquisitions, initial public offerings and debt offerings.

He subsequently held positions in EY as Professional Practice Director (Malaysia and Far East), Managing Partner, Quality & Risk Management (Far East and Asia Pacific) as well as Managing Partner, Global Risk Management Infrastructure. His responsibilities included the integration, execution and monitoring of risk processes, methodology and professional standards.

In 2015, he was appointed as Global Risk Management Leader, a position he held until his retirement in 2019. During his tenure as Global Risk Management Leader, he chaired the Global Risk Management Executive Committee, Audit Committee of EY global entities as well as the Insurance Oversight Committee. As Global Risk Management Leader, he was closely involved in areas such as enterprise risk management, ethics, compliance, internal audit, business continuity, independence and conflicts of interest.

He was previously a board member of the Malaysian Accounting Standards Board, the Malaysian Auditing and Assurance Standards Board and a two-term board member of the International Auditing and Assurance Standards Board. He has been an independent director of CIMB Bank Berhad since October 2019 and assumed the Chair of CIMB Bank Berhad's Board Risk and Compliance Committee in January 2021.

He has been a member of the Malaysian Institute of Certified Public Accountants since 1984 and the Malaysian Institute of Accountants since 1990.

He has no family relationship with our Promoters, Substantial Shareholders, other Directors and key senior management of our Group.

(v) Dato' Dr. Quaza Nizamuddin Bin A. Hassan Nizam

Dato' Dr. Quaza Nizamuddin Bin A. Hassan Nizam, a Malaysian aged 62, is our Independent Non-Executive Director.

He was appointed to our Board on 25 September 2021 and has over 36 years of experience in the field of veterinary medicine and livestock production.

He graduated with a Doctor of Veterinary Medicine from Universiti Pertanian Malaysia in 1984 and subsequently obtained a Master of Science in Epidemiology and Preventive Veterinary Medicine from Free University of Berlin, Germany in 1994. He commenced his career with the Department of Veterinary Services ("**DVS**") as a Veterinary Officer in Negeri Sembilan from 1984 to 1989 where he was involved in managing beef cattle at the Jelai Gemas Farm. In 1989, he was re-assigned to the DVS' headquarters in Kuala Lumpur where he worked as a Veterinary Officer (Farm Division) until 1993.

He left the DVS to pursue his Masters in Germany in 1993 and upon returning to Malaysia in 1995, he worked as a Veterinary Officer involved in educating undergraduates, farmers and DVS personnel and managing the dairy farm at the Veterinary Institute in Kluang, Johor until 2000. He was subsequently promoted to become the State Director of the DVS in the state of Kedah from 2000 until 2007 and the state of Perak from 2008 until 2011. During his stint as State Director, he was instrumental in amongst others, developing the livestock industry, raising the income of farmers and ensuring overall animal health status, including preventing zoonotic diseases.

Throughout his career, he has held various positions within the DVS, including as Director of the Livestock Technology Resources Development division from 2011 until 2015 and as Deputy Director-General of the DVS for Development and Veterinary Health from 2015 until 2017.

He was appointed as the Director-General of the DVS in 2017, a position which he has held until his retirement in 2020. His notable achievements throughout his 36-year career with the DVS include being involved in establishing rules and regulations under the Feed Act 2009, the formulation of the Animal Welfare Act 2015 in Malaysia and preparing and implementing strategic plans for dairy and beef development programs for Malaysia. He was also involved in overseeing effective disease control programs, implementing standards and certification for farms and processing plants and negotiating for exports of livestock and its products to other countries.

He is currently a board member of Lembaga Totalisator Malaysia and a director of the Malaysian Equine Council. He also holds directorships in other private limited companies.

He has no family relationship with our Promoters, Substantial Shareholders, other Directors and key senior management of our Group.

(vi) Jocelyn Ng Lai Leng

Jocelyn Ng Lai Leng, a Malaysian aged 58, is our Independent Non-Executive Director.

She was appointed to our Board on 25 September 2021 and has over 20 years of experience in the fields of marketing, business development, and management.

She graduated with a Bachelor of Arts majoring in General Psychology from the University of Waterloo, Canada in 1985 and subsequently obtained a Master of Arts in Psychology from Duquesne University, United States of America in 1986. She commenced her career with Rima College as a Psychology and Sociology lecturer under the American Degree Program in 1987. At the end of 1987, she joined the Stamford College Group where she continued her stint as a Psychology and Philosophy lecturer until September 1988.

From September 1988 until January 1994, she held the positions of Brand and Market Research Manager of Malaysian Tobacco Company Bhd. As Market Research Manager, she was tasked with providing analysis and information on market trends and consumer demands. Subsequently, she was promoted to Brand Manager, where she was primarily involved in promoting the company's brands. Thereafter, she joined Quality Bakers (M) Sdn Bhd in July 1994 as a Marketing Manager.

She left Quality Bakers (M) Sdn Bhd in August 1996 to join JT International as Group Product Manager and was responsible for promoting the company's brands. Subsequently, she joined Danone Marketing (Malaysia) Sdn Bhd in March 2001 as a Marketing Manager in the Snacks Division and thereafter, the Marketing Director of Biscuits and Snacks where she oversaw the marketing team in the promotion of the company's products.

In August 2004, she embarked on a two-year sabbatical to pursue her personal interests in art and fitness. She returned from her sabbatical in January 2007 to join Danone Dumex Sdn Bhd as the Marketing Director and subsequently also assumed the role of Medical Marketing Director. She was responsible for the promotion of brands in both the consumer and medical sectors until July 2010.

She was appointed as the Head of Marketing (Foods & Beverages) of PepsiCo Malaysia Sdn Bhd in November 2010. In March 2012, whilst in her capacity as Head of Marketing (Foods & Beverages), she was further entrusted with the portfolio of Head of Commercial (Foods). In June 2013, she was promoted to the position of General Manager of Malaysia, Singapore, Brunei, Mongolia, and Pacific Islands, where she was responsible for various functions, including amongst others, managing business relationships with food and beverage distributors.

She joined Uniqlo Malaysia Sdn Bhd as the Senior Director of Operations in March 2015 and was promoted to Chief Operating Officer in September 2015, a position she held until 2017. Currently, she is the sole proprietor of her own consulting firm, where she provides consulting services in respect of management and marketing matters. She also holds a directorship in a private limited company.

She has no family relationship with our Promoters, Substantial Shareholders, other Directors and key senior management of our Group.

9.2.2 Shareholdings of our Directors

Save for the shareholdings of Loi Tuan Ee and Loi Foon Kion which is set out in Section 9.1.4 of this Prospectus, the following table sets out the direct and indirect shareholdings of our Directors in our Company before and after our IPO:

						After our IPO											
		Shareholding after the Pre-IPO Exercise(1)				Assuming the Over-allotment Option is not exercised(2)				Assuming the Over-allotment Option is fully exercised(2)				Upon Listing and assuming exercise of the ESOS Options(3)			
		Direct		Indirect		Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	Nationality	No. of Shares	%	No of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tan Sri Dato' Seri Haji Megat Najmuddin Bin Datuk Seri Dr. Haji Megat Khas	Malaysian	-	-	-	-	500,000	0.03	-	-	500,000	0.03	-	-	500,000	0.03	-	-
Tan Mei Shwen Serena	Malaysian	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sukanta Kumar Dutt	Malaysian	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dato' Dr. Quaza Nizamuddin Bin A. Hassan Nizam	Malaysian	-	-	-	-	500,000	0.03	-	-	500,000	0.03	-	-	500,000	0.03	-	-
Jocelyn Ng Lai Leng	Malaysian	-	-	-	-	500,000	0.03	-	-	500,000	0.03	-	-	500,000	0.03	-	-

Notes:

(1) *Based on our issued share capital of 1,635,000,137 after the Pre-IPO Exercise.*

(2) *Based on our enlarged issued share capital of 1,857,954,837 Shares upon Listing and assuming full subscription of our Issue Shares allocated under the Pink Form Allocations.*

(3) *Based on our enlarged issued share capital of 1,895,113,837 Shares after assuming full exercise of the 37,159,000 ESOS Options intended to be offered as described in Section 4.2.6 of this Prospectus.*

9.2.3 Principal business activities performed by our Directors outside our Group in the past five years

The principal business activities performed by our Directors outside of our Group as at the LPD or otherwise specifically mentioned, and the directorships held by our Directors outside of our Group at present and in the past five years preceding the LPD or otherwise specifically mentioned are as follows:

(i) Tan Sri Dato' Seri Haji Megat Najmuddin Bin Datuk Seri Dr Haji Megat Khas

Name of Company	Principal activities	Involvement in business activities
Present directorships:		
• Kuber Venture Berhad	• Investment holdings company investing in business opportunities across various industries with an emphasis on ESG	• Director
• Sime Darby Plantation Berhad *(formerly known as Sime Plantations Sdn Bhd)*	• Production, processing, refining and sales of palm oil, palm kernel oil, manufacturing and marketing of specialty fats and edible oils, rubber and other palm oil and rubber related products and investment holding	• Director
• Harmoni Bumiria Sdn Bhd	• Property investment and development	• Director
• Everest Pioneer Sdn Bhd	• Real property and housing development	• Director
• Superboom Projects Sdn Bhd	• Property development and investment holding	• Director
• Federation of Public Listed Companies	• Promote and encourage the healthy development of the capital market in Malaysia	• Director
• Megat Properties Sdn Bhd	• Investment holdings company (previously involved in real property but has ceased business operations since 1995)	• Director • Shareholder holding direct interest of 38.29%
• MyKasih Foundation	• To receive and administer funds for social, education and economic programmes for relief of poverty and upgrading of economic, social and educational status of the poor and needy who are Malaysian citizens irrespective of race, religion and descent	• Trustee

Name of Company	Principal activities	Involvement in business activities
• Lembah Bumimoden Sdn Bhd	• Activities of holding companies (the company has not commenced business operations)	• Director
• Segi University Sdn Bhd *(formerly known as Segi University College (M) Sdn Bhd)*	• Provision of educational and training services	• Director
• Yayasan Pendidikan Bistari	• To subscribe and grant donations to any cause, person, corporation, institution/ organisation and to provide scholarships, grants and/or subsidies to students and trainees to pursue in higher education and/or other training programmes • To contribute towards research, teaching, training and other related services to an individual for educational purposes • To subscribe to any local/other charities and to grant donations for any charity purposes and to support any other associations/ corporations for charitable purposes	• Director
• SEG International Bhd	• Investment holding and the provision of management consultancy services, property management, rental of premises, business advisory services, educational and training services	• Director
• Wangsa Masyhur Sdn Bhd	• Property investment and development	• Director
• Taman Bestari Sdn Bhd	• Property development	• Director
• Syarikat Kapasi Sdn Bhd	• Property investment and development, renting out of retail units	• Director
• Quality Trend Sdn Bhd	• Property investment and development	• Director

Name of Company	Principal activities	Involvement in business activities
• Primadana Utama Sdn Bhd	• Investment holding, property investment and development	• Director
• Pinus Park Sdn Bhd	• Renting out bungalow	• Director
• Multizone Parking Sdn Bhd *(formerly known as Asian Pac Parksafe Sdn Bhd)*	• Car park management and operations	• Director
• Pristine Property Management Sdn Bhd *(formerly known as Changkat Fajar Sdn Bhd)*	• Property management	• Director
• BH Realty Sdn Bhd	• Property investment and development and car park operation	• Director
• BH Builders Sdn Bhd *(formerly known as Kin Khoon & Co. Sdn Bhd)*	• Investment holding, property investment and development	• Director
• Asian Pac Property Management Sdn Bhd *(formerly known as Asian Pac Asset Management Sdn Bhd)*	• Property management	• Director
• AGB Properties Sdn Bhd	• Investment holding and renting out of office and retail properties	• Director
• Asian Pac Holdings Berhad *(formerly known as Pegi Malaysia Berhad)*	• Investment holding, provision of management services and trading of building materials	• Director
• Institut Pengurusan Malaysia *(formerly known as Yayasan Pengurusan Malaysia)*	• Provide membership administrative services, promote membership and associated training activities to enhance management leadership and excellence in Malaysia	• Director
• MNK Holdings Sdn Bhd *(formerly known as Starbright Links Sdn Bhd)*	• Property investment	• Director • Shareholder holding direct interest of 90.00%

Name of Company	Principal activities	Involvement in business activities
• Yayasan Vijayaratnam	• To provide leadership, guidance and financial assistance to help potential leaders and forward-thinking individuals in their pursuit of academic excellence	• Trustee
• TSM Charity Golf Foundation	• To receive and administer funds and other non-pecuniary forms of assistance for the needs • To receive, provide and utilise funds to sponsor education and sports projects • To organise, carry out and support schemes for the relief of human suffering, improvement of human standard of living and treatment of sickness and diseases	• Advisor and Trustee
• Qnet (M) Sdn Bhd *(formerly known as Questnet (M) Sdn Bhd)*	• Direct selling / multi-level marketing	• Director
• QI Services (M) Sdn Bhd	• Provision of strategic services, business services and shared services	• Director
• Ulink Ascot Sdn Bhd	• Tourism and hospitality education providers	• Director
• Solid Component Manufacturing Sdn Bhd	• Traders of motor vehicle parts, electrical parts and mechanical engineering spring	• Director • Shareholder holding direct interest of 6.20%
• Kelana Resorts Sdn Bhd *(in the process of winding-up)*	• Development and management of recreational facilities and amenities	• Director • Shareholder holding direct interest of 10.00%
• Kawai Metal (M) Sdn Bhd *(in the process of winding-up)*	• Trading in building materials	• Director • Shareholder holding direct interest of 29.40%

Name of Company	Principal activities	Involvement in business activities
• MY Properties Sdn Bhd *(formerly known as United Asia Industries Sdn Bhd)*	• Manufacturers of and dealers in automotive component parts, plastic products, nylon products, rubber products, wearing apparel, electrical appliances, machinery apparatus and appliances, chemical products, metal products and non ferrous metal products of all kinds and descriptions	• Director
• Hisa Corporation Sdn Bhd *(formerly known as Faal Angkut Sdn Bhd)*	• Consultancy services	• Director • Shareholder holding direct interest of 99.99%
• Terawis Corporation Sdn Bhd	• Property investment	• Director • Shareholder holding direct interest of 60.00%
• Atlas Development Sdn Bhd	• Advertising, contracts, agents and designers, publicity and marketing specialists, dealers in agents for or importers or exporters of printed matter and advertising material of all kinds whatsoever	• Director
• North South Properties Sdn Bhd *(in the process of winding-up)*	• Dormant	• Director • Shareholder holding direct interest of 55.00%
• Collections Hotels & Resorts Sdn Bhd	• Hotels and resort hotels and tour operator activities	• Director • Shareholder holding direct interest of 45.00%
• Anafield International Sdn Bhd	• Engaged as consultant for military and other related products	• Director • Shareholder holding direct interest of 48.99%
• MySJ Sdn Bhd	• Other service activities N.E.C, other information service activities N.E.C.	• Director

Previous directorships in the past 5 years preceding the LPD:

• Greentrend Builder Sdn Bhd *(formerly known as Teknik CS Engineering Sdn Bhd)*	• Contractor for the provision of civil, mechanical, and other works to palm oil mills	• Director (resigned 25 June 2020) • Shareholder holding direct interest of 51.00%

Name of Company	Principal activities	Involvement in business activities
• Majuperak Holdings Berhad *(formerly known as Majuperak Holdings Sdn Bhd)*	• Investment holding company with its subsidiaries principally involved in property development, management services, contract management and merchandise sourcing and supply business	• Director (resigned 25 June 2018)
• Park Rite Sdn Bhd	• Provision of parking management services	• Director (resigned 4 December 2019)
• Primuda Sdn Bhd	• Hire purchase	• Director (resigned 9 June 2020)
• The Haven Sdn Bhd	• Property developer	• Director (resigned 27 September 2017)
• Zurah Permai Sdn Bhd	• Investment holding company with its subsidiaries principally involved in retail, property development, car park and hotel	• Director (resigned 1 January 2018)
• Pan Asia Logistics PTP Malaysia Sdn Bhd	• Warehousing activities, freight forwarding and holding industrial properties	• Director (resigned 30 June 2019)
• Peninsula Education (Setia Alam) Sdn Bhd *(formerly known as Segi International Learning Alliance Sdn Bhd)*	• Provision of training and educational services	• Director (resigned 1 April 2016)
• Imperial Education (Ipoh) Sdn Bhd *(formerly known as Peninsula Education (Ipoh) Sdn Bhd)*	• Provision of educational training services	• Director (resigned 30 June 2016)
• Asian World Summit Sdn Bhd	• Provide forum, conference and training services, project management and consultation service provider	• Director (resigned 3 February 2016)
• Petroliam Nasional Berhad (Petronas)	• Exploitation of oil and gas, marketing of petroleum and petroleum products and investment holding	• Director (resigned 25 April 2017)
• Blondal Sales & Service Sdn Bhd *(formerly known as Lux Appliances (Mal.) Sdn Bhd)*	• Retailing of electrical household appliances through direct selling	• Director (resigned 31 January 2020)

Name of Company	Principal activities	Involvement in business activities
• Malaysian Institute of Corporate Governance	• To promote and encourage corporate governance development, education, and training for the benefit of its members in Malaysia	• Director (resigned 24 May 2016)
• Blondal Sdn Bhd	• Investment holding company with its subsidiaries principally involved in sales of household products and appliances, sales of commercial cleaning appliances and water filtration systems, and water treatment plants activity and related service	• Director (resigned 31 January 2020)
• Blondal Hydroguard (M) Sdn Bhd *(formerly known as Blondal-Crosslink Sdn Bhd)*	• Trading of water filtration systems	• Director (resigned 31 January 2020)
• Dermaga Suasa Sdn Bhd	• Property developer	• Director (resigned 2 April 2018) • Shareholder holding direct interest of 20.00%
• Malaysia Land Ventures Bhd	• Dormant	• Director (resigned 24 September 2018)
• Corporate Attire Sdn Bhd *(formerly known as Spark Manshop Corporate Attire Sdn Bhd)* *(in the process of winding-up)*	• Operating tailoring shops	• Director (resigned 1 January 2018)
• ICT Zone Ventures Berhad	• Information and communication technology, investment schemes, leasing and factoring facilities services	• Director (resigned 21 August 2019)
• Superboom (Ipoh) Sdn Bhd	• Property investment	• Director (resigned 16 July 2018)
• Spark Manshop Holdings Sdn Bhd *(formerly known as Spark Enterprise Sdn Bhd)*	• Investment holding company with its subsidiaries principally involved in garments manufacturing, operating tailoring shops, and investment and letting of properties	• Director (resigned 3 May 2018)

Name of Company	Principal activities	Involvement in business activities
• Omesti Berhad *(formerly known as Formis Resources Berhad)*	• Investment holding activities and provision of management services	• Director (resigned 2 January 2018)
• Tradewinds Corporation Berhad *(formerly known as Pernas International Holdings Berhad)*	• Investment holding, provision of management services and commercial property investment and property development	• Advisor (resigned 1 January 2018)
• Blondal Natural Cosmetics Sdn Bhd *(formerly known as Ultra Spectrum Sdn Bhd)*	• Other manufacturing N.E.C.	• Director (resigned 9 June 2020)
• Green Venture Capital Sdn Bhd	• Property development and investment company	• Director (resigned 9 June 2021)

Involvement in business activities other than as a director:

• Panji Rebana Sdn Bhd	• Investment and letting of properties	• Shareholder holding direct interest of 50.00%
• Master Resources Consortium Sdn Bhd	• Providing management and consultancy services	• Shareholder holding direct interest of 30.00%
• Guardian Mint (M) Sdn Bhd	• Fabrication and welding works and investment holding	• Shareholder holding direct interest of 69.50%
• ICT Zone Asia Berhad	• Other business support service activities N.E.C and activities of holding companies	• Shareholder holding direct interest of 2.16%
• Belang Rimau Sdn Bhd *(in the process of winding-up)*	• Investment holding (the company does not have any active business operations and is currently in the process of winding-up)	• Shareholder holding direct interest of 50.00%
• Mema Holdings Sdn Bhd	• Activities of holding companies (the company has not commenced business operations)	• Shareholder holding direct interest of 0.33%
• Sharikat Perniagaan Dan Lumbong Melayu Sdn Bhd	• Investment holding company with its associate principally involved in bus service operators	• Shareholder holding direct interest of 0.27%
• Maycom Advisory Sdn Bhd	• Providing management and professional services	• Shareholder holding direct interest of 0.25%

(ii) Loi Tuan Ee

Name of Company	Principal activities	Involvement in business activities
Present directorships:		
• Rainforest Capital	• Investment holding company with its subsidiaries principally involved in commercial captive breeding of Asian arowana and cultivation of oil palm	• Director • Shareholder holding direct interest of 50.10%
• Farmchoice Foods	• Investment holding company with its subsidiary principally involved in dairy cows and the sale of dairy cow's milk	• Director • Shareholder holding direct interest of 63.50%
• Mawai Capital	• Activities of holding companies (company with no investments save for its investment in Farmchoice Foods, as at the LPD)	• Director • Shareholder holding direct interest of 50.00%
• Rainforest Arowana Sdn Bhd	• Commercial captive breeding of Asian arowana	• Director • Shareholder holding direct interest of 35.00% and indirect interest of 51.00% through Rainforest Capital
• Rainforest Produce Sdn Bhd *(formerly known as Fleksi Jaya Sdn Bhd)*	• Cultivation of oil palm	• Director • Shareholder holding direct interest of 0.0001% and indirect interest of 99.99% through Rainforest Capital
Previous directorships in the past 5 years preceding the LPD:		
• SP Aquaculture Sdn Bhd	• Hatchery and grow up of fish fry	• Director (resigned 22 February 2016)
• Daebak Tea Sdn Bhd *(formerly known as Farm Fresh Holdings Sdn Bhd)*	• Investment holding company with no investments, as at the LPD	• Director (resigned 2 September 2021)

(iii) Loi Foon Kion

Name of Company	Principal activities	Involvement in business activities
Present directorship:		
• Rainforest Capital	• Investment holding company with its subsidiaries principally involved in commercial captive breeding of Asian arowana and cultivation of oil palm	• Director • Shareholder holding direct interest of 39.90%

Name of Company	Principal activities	Involvement in business activities
Involvement in business activities other than as a director:		
• Rainforest Arowana Sdn Bhd	• Commercial captive breeding of Asian arowana	• Shareholder holding indirect interest of 51.00% through Rainforest Capital
• Rainforest Produce Sdn Bhd *(formerly known as Fleksi Jaya Sdn Bhd)*	• Cultivation of oil palm	• Shareholder holding indirect interest of 99.99% through Rainforest Capital

(iv) Tan Mei Shwen Serena

Name of Company	Principal activities	Involvement in business activities
Present directorships:		
• Agrifood Resources Holdings Sdn Bhd *(formerly known as Mount Danum Ventures Sdn Bhd)*	• Strategic investment holding company holding directly or indirectly, all individual investments in the agrifood sector including horticulture, aquaculture, herbal ingredients and daily products and cold chain logistics and the provision of management services, advisories and corporate shared services	• Director
• Cenviro Sdn Bhd *(formerly known as UEM Environment Sdn Bhd)*	• Investment holding and provision of management services	• Director
• Monoluxury Sdn Bhd	• Integrated horticultural business which is engaged in the cultivation and processing of vegetables and trading in vegetables and related products	• Director
• CIMB Group Holdings Berhad *(formerly known as Bumiputra-Commerce Holdings Berhad)*	• Investment holding company with its subsidiaries principally involved in commercial banking and related financial services, financial and corporate advisory, promotion of sporting events, real estate property investments for rental to related companies and nominee services	• Director

Name of Company	Principal activities	Involvement in business activities
• CIMB Bank Berhad *(formerly known as Bumiputra-Commerce Bank Berhad)*	• Commercial banking and related financial services	• Director • Member of Audit Committee and Risk and Compliance Committee
• Khazanah Turkey Regional Office Dan. Hiz. A.S.	• Providing investment advisory services	• Director
• Khazanah India Advisors Private Limited	• Providing investment advisory services	• Director
• Khazanah Americas Incorporated	• Providing investment advisory services	• Director
• Khazanah Nasional Business Consulting (Shanghai) Co. Ltd	• Commercial information consulting, market economy information consulting and corporation management consulting services for North Asia	• Director

Previous directorships in the past 5 years preceding the LPD:

• Kuala Perlis Ventures Sdn Bhd *(in the process of liquidation)*	• Investment holding company with its investments principally in financial services	• Director (resigned 2 November 2017)
• Santubong Ventures Sdn Bhd *(formerly known as Hidro Gemilang Sdn Bhd) (in the process of liquidation)*	• Investment holding company with its investments principally in financial services	• Director (resigned 2 November 2017)
• Tulai Beach Ventures Sdn Bhd	• Investment holding company with its investments principally in insurance	• Director (resigned 2 November 2017)
• CIMB Thai Bank Public Company Limited	• Commercial banking and related financial services	• Director (resigned 30 July 2020)
• Kuala Selangor Ventures Sdn Bhd	• Investment holding company with its investments principally in insurance	• Director (resigned 2 November 2017)
• Aviva Singlife Holdings Pte Ltd	• Insurance	• Director (resigned 30 November 2021)
• Aviva Ltd	• Insurance	• Director (resigned 30 November 2021)
• Singapore Life Pte Ltd	• Insurance	• Director (resigned 30 November 2021)

Name of Company	Principal activities	Involvement in business activities
• Acibadem Saglik ve Hayat Sigorta A.S	• Health insurance	• Director (resigned 11 September 2017)
• Greatville Pte Ltd	• Investment holding company with its investments principally in financial services	• Director (resigned 9 March 2017)
• Pantai Juara Investments Limited	• Investment holding company with its investments principally in financial services	• Director (resigned 2 November 2017)
• Pulau Kaca Investments Limited	• Investment holding company with its investments principally in financial services	• Director (resigned 2 November 2017)
• Pulau Kendi Investments Limited	• Investment holding company with its investments principally in financial services	• Director (resigned 2 November 2017)
• Bukit Galla Investments Limited	• Investment holding company with its investments principally in financial services	• Director (resigned 2 November 2017)
• Bukit Bendera Investments Limited	• Investment holding company involved in private equity fund investment	• Director (resigned 2 November 2017)
• Mount Terra Investments Limited	• Investment holding company involved in private equity fund investment	• Director (resigned 2 November 2017)
• Teluk Senangin Investments Limited	• Investment holding company with its investments principally in financial services	• Director (resigned 2 November 2017)
• Redang Investment Ltd	• Investment holding company with its investments principally in insurance	• Director (resigned 2 November 2017)
• Satang Investments Ltd	• Investment holding company involved in private equity fund investment	• Director (resigned 2 November 2017)
• Tanjung Jara Investments Ltd	• Investment holding company involved in private equity fund investment	• Director (resigned 2 November 2017)
• PT Pantai Damai	• Investment holding company with its investments principally in financial services	• Director (resigned 30 June 2017)

Name of Company	Principal activities	Involvement in business activities
• ACR Capital Holdings Pte. Ltd.	• Insurance	• Director (resigned 31 March 2020)
• Asia Capital Reinsurance Group	• Insurance	• Director (resigned 31 March 2020)

(v) Sukanta Kumar Dutt

Name of Company	Principal activities	Involvement in business activities
Present directorship:		
• CIMB Bank Berhad	• Commercial banking and related financial services	• Director • Chairman of Board Risk and Compliance Committee
Previous directorships in the past 5 years preceding the LPD:		
• EY GDS (CS) Limited	• Activities of a holding company with its subsidiaries principally involved in the coordination and provision of global delivery services to member firms of the Ernst & Young network	• Director (resigned 1 July 2019)
• EY GDS Holdings Coöperatief U.A.	• To meet certain material needs of its members based upon agreements	• Director (resigned 1 July 2019)
• EY Global Services Limited *(formerly known as EYGBS Limited)*	• Accounting and auditing activities and other business support service activities	• Director (resigned 30 June 2019)
• EY Law Limited *(formerly known as EY Law (Newco) Limited)*	• Non-trading company	• Director (resigned 30 June 2019)
• EYG Limited *(formerly known as Hackremco (No. 2067) Limited)*	• Non-trading company	• Director (resigned 30 June 2019)
• EYGP LLP	• Limited liability partnership	• Director (resigned 28 June 2019)

(vi) Dato' Dr Quaza Nizamuddin Bin A. Hassan Nizam

Name of Company	Principal activities	Involvement in business activities
Present directorships:		
• Jimat Jaya Sdn Bhd *(formerly known as Jen Jen Enterprise Sdn Bhd)*	• Processing and marketing of chicken, transport agent	• Director
• Farm's Best Food Industries Sdn Bhd *(formerly known as Sinmah Food Industries Sdn Bhd)*	• Poultry hatcheries, contract farming, poultry processing, marketing and distribution of poultry products	• Director
• Majlis Ekuin Malaysia	• Dormant	• Director
• Lembaga Totalisator Malaysia	• Regulation of horse racing industry	• Member
• Pet World International Sdn Bhd	• Activities of holding companies, other management consultancy activities not elsewhere classified, real estate activities with own or leased property not elsewhere classified	• Director
• Silver Land Pets Care and Surgery	• Carrying out treatment, immunisation, surgery, sale of pet food, additional food, boarding, grooming, import and export documentation, sale of parent breeds, laboratory, and x-ray services	• Partner
Previous directorships in the past 5 years preceding the LPD:		
• Risda Livestock Sdn Bhd	• Livestock breeders	• Director (resigned 15 December 2020)
• Vam Incorporated (M) Sdn Bhd	• Consultancy services and organiser of all kinds of veterinary business	• Director (resigned 28 May 2021)

(vii) Jocelyn Ng Lai Leng

Name of Company	Principal activities	Involvement in business activities
Present directorship:		
• Boh Plantations Sdn Bhd	• Growing and production of tea, packing of tea for the retail trade, growing of oil palm	• Director
Previous directorships in the past 5 years preceding the LPD:		
• Uniqlo (Malaysia) Sdn Bhd	• Retailing of garments	• Director (resigned 31 July 2017)

The involvement of our Directors mentioned above in other principal business activities outside of our Group will not affect their commitment and responsibilities to our Group in their respective roles as our Directors, as:

(a) our Non-Executive Directors are not involved in the day-to-day operations of our Group. Their involvement in other business activities outside our Company will not affect their contributions to our Group as the principal activities of those companies are not similar to our Group's business; and

(b) our Executive Director is not actively involved in any business activities outside our Group. His involvement will not affect his ability to perform his roles and responsibilities as our Non-Independent Executive Director, Group Managing Director and Group Chief Executive Officer as well as his contributions to our Group.

9.2.4 Service contracts with our Directors

As at the date of this Prospectus, there are no existing or proposed service contracts between our Directors and us which provide for benefits upon termination of employment.

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9.2.5 Remuneration and material benefits in-kind of our Directors

The aggregate remuneration and material benefits in-kind (including any contingent or deferred remuneration) paid or proposed to be paid to our Directors for services rendered or to be rendered to us in all capacities to our Group for FYE 31 March 2021 and 2022 are as follows:

FYE 31 March 2021 (Paid)	Salaries (RM'000)	Directors' Fees (RM'000)	Bonus (RM'000)	Contributions to EPF and Social Security Organisation (RM'000)	Allowances (RM'000)	Benefits-in-kind (RM'000)	Total (RM'000)
Tan Sri Dato' Seri Haji Megat Najmuddin Bin Datuk Seri Dr Haji Megat Khas	-	-	-	-	-	-	-
Loi Tuan Ee	690	-	400	132	246	-	1,468
Loi Foon Kion	-	-	-	-	-	-	-
Tan Mei Shwen Serena	-	-	-	-	-	-	-
Sukanta Kumar Dutt	-	-	-	-	-	-	-
Dato' Dr Quaza Nizamuddin Bin A. Hassan Nizam	-	-	-	-	-	-	-
Jocelyn Ng Lai Leng	-	-	-	-	-	-	-

FYE 31 March 2022 (Proposed)	Salaries (RM'000)	Directors' Fees (RM'000)	Bonus (RM'000)	Contributions to EPF and Social Security Organisation (RM'000)	Allowances (RM'000)	Benefits-in-kind (RM'000)	Total (RM'000)
Tan Sri Dato' Seri Haji Megat Najmuddin Bin Datuk Seri Dr Haji Megat Khas	-	150	-	-	Note 1	-	150
Loi Tuan Ee	1,200	-	400	192	246[(2)]	-	2,038
Loi Foon Kion	-	100	-	-	Note 2	-	100
Tan Mei Shwen Serena	-	-	-	-	-	-	-
Sukanta Kumar Dutt	-	100	-	-	Note 2	-	100
Dato' Dr Quaza Nizamuddin Bin A. Hassan Nizam	-	100	-	-	Note 2	-	100
Jocelyn Ng Lai Leng	-	100	-	-	Note 2	-	100

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

Notes:

(1) Meeting allowance of RM1,500 per meeting.

(2) Meeting allowance of RM1,000 per meeting.

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

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9.2.6 Audit and Risk Management Committee

Our Audit and Risk Management Committee was formed by our Board on 27 September 2021. Our Audit and Risk Management Committee currently comprises the following members, of which all of them are Independent Non-Executive Directors:

Name	Designation	Directorship
Sukanta Kumar Dutt	Chairman	Independent Non-Executive Director
Dato' Dr Quaza Nizamuddin Bin A. Hassan Nizam	Member	Independent Non-Executive Director
Jocelyn Ng Lai Leng	Member	Independent Non-Executive Director

Our Audit and Risk Management Committee undertakes, amongst others, the following functions:

(i) <u>Internal audit</u>

(a) to ensure that the internal audit function reports directly to our Audit and Risk Management Committee;

(b) to review and report to our Board on the adequacy of the scope, plan, functions, competency, resources and budget of the internal audit function, and whether it has the necessary authority to carry out its work;

(c) to review and report to our Board on the internal audit plan, processes, the results of the internal audit assessments, investigations undertaken and whether or not appropriate action is taken on the recommendations;

(d) to evaluate the effectiveness and independence of the internal audit function;

(e) to review and approve the internal audit charter which defines the purpose, authority and responsibilities of the Head of Audit and Risk and the internal audit function;

(f) to perform any appraisals or assessments of the performance of the internal audit function, including the Head of Audit and Risk and the internal audit manager(s);

(g) to decide on the appointment or termination of as well as the remuneration of those in the internal audit function including the Head of Audit and Risk and the internal audit manager(s);

(h) to take cognisance of resignations of internal audit staff members and provide the resigning member an opportunity to submit the reasons for resigning; and

(i) to direct any special investigations to be carried out by the internal audit function as and when necessary and consider the major findings of the internal investigations and management's response;

(ii) <u>External audit</u>

(a) to review with the external auditors the following: (i) the audit plan; (ii) external auditor's evaluation of our Group's system of internal controls; and (iii) the external auditor's audit report, and report the same to our Board, including any significant audit findings, difficulties encountered or material weaknesses reported by the external auditors;

(b) to review and report to our Board on the assistance given by the employees of our Company to the external auditor;

(c) to evaluate the nature and scope of the external auditor's audits, including the terms as detailed in the external auditor's engagement letter and any changes to the audit plan and to ensure an effective coordination of audit where more than one audit firm is involved;

(d) to evaluate the performance of external auditors, the audit fee and any question of resignation or dismissal including any written explanations before making recommendations to our Board;

(e) to review and report to our Board on any letter of resignation from the external auditors and whether there is reason (supported by grounds) to believe that the external auditor is not suitable for re-appointment;

(f) to recommend the nomination of a person or persons as external auditors; and

(g) to establish proper policies and procedures to assess the suitability, objectivity and independence of external auditors, that includes, amongst others:

- obtaining written assurance from external auditors confirming they are, and have been, independent throughout the conduct of audit engagement in accordance with all relevant professional and regulatory requirements;
- taking into consideration the competence, audit quality and resource capacity of the external auditors in relation to the audit; and
- assessing the nature and extent of non-audit services rendered by the external auditors and their affiliated companies or firms, and the appropriateness of the level of fees;

(iii) Financial Reporting

(a) to review the quarterly results and the year-end financial statements of our Company and our Group for recommendation to our Board for approval, focusing particularly on:

- changes in or implementation of accounting policies and practices;
- significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed;
- significant adjustments arising from the external audit;
- the appropriateness of the going concern assumption used in preparation of the financial statements; and
- compliance with accounting standards and other legal requirements;

(b) to review the Audit and Risk Management Committee's report and statement on risk management and internal control for publication in our Company's annual report; and

(c) To ensure that the finance function is equipped with adequate resources and the right infrastructure to support the financial reporting process;

(iv) Related party transactions

(a) to assess and report to our Board on any related party transactions and conflict of interest situation that may arise within our Company or our Group, including any transactions, procedures or course of conduct that raises questions of management integrity and might not be in compliance with applicable laws and regulations;

(b) in reviewing related party transactions, to consider, amongst others, the following factors:

- the rationale and the cost / benefit to our Company;
- comparative quotes, where possible;
- whether such related party transactions are based on normal commercial terms and not more favourable to the related parties than those generally available to third parties dealing on an arms' length basis; and
- that such related party transactions are not detrimental to our Company's minority shareholders;

(c) to determine how to address conflict of interest situations and monitor compliance with related party transaction policy and/or mandate, including transactions or situations that warrant timely internal and regulatory disclosures and appropriate review and reporting and ensure that management establishes a comprehensive framework for the purposes of identifying, evaluating, approving, reporting and monitoring such situations and transactions; and

(d) to review the draft circular with respect to obtaining shareholders' mandate on any recurrent related party transactions of a revenue or trading nature before submission to our Board;

(v) Allocation under ESOS

(a) to verify that the allocation of shares or options under an employees' share option scheme complies with the criteria for allocation under the share scheme for employees of our Group, if any;

(vi) Whistleblowing

(a) to oversee the implementation of a whistleblowing policy and procedures of our Group as well as review major findings of any internal investigations and management responses thereon;

(b) to report to our Board of any suspected frauds or irregularities, serious internal control deficiencies or suspected infringement of laws, rules and regulations which comes to its attention and are of sufficient importance to warrant the attention of our Board;

(c) to review the effectiveness of the system for monitoring compliance with applicable laws, regulations, rules, directives and guidelines, and the results of management's investigation and follow-up (including disciplinary action) or any instances of non-compliance; and

(d) to review the findings of any examinations by regulatory authorities and obtain updates from the management and the legal counsel regarding regulatory compliance matters;

(vii) Other functions

(a) to perform such other functions as the Audit and Risk Management Committee considers appropriate or as authorised by our Board;

(viii) Risk management and internal control

(a) to ensure the adequacy and effectiveness of the internal control and governance systems instituted in our Company and our Group;

(b) to assess the quality, effectiveness and efficiency of the internal control in systems and processes of our Group's operations, particularly those relating to areas of significant risk;

(c) to review the evaluation by the Head of Audit and Risk (of the internal audit function within our Group) and external auditors of our Group's system of internal control and management's responses, and ensure that appropriate action is taken and thereafter report the same to our Board;

(d) to approve and oversee the implementation of appropriate risk management framework and measurement methodologies across our Group and ensuring effectiveness of the same;

(e) to review the risk management framework and processes to ensure that they remain relevant for use and monitor the effectiveness of risk treatment / mitigation action plans for the management and control of the key risks;

(f) to advise our Board on the adequacy and effectiveness of our Group's risk management framework;

(g) to provide advice to our Board on risk strategies and coordinate the activities of various standing board committees for risk oversight;

(h) to identify, assess and monitor key business risks and review the extent to which these key business risks are being managed;

(i) to ensure infrastructure, resources and systems are in place and are adequate for purposes of risk management;

(j) to review management's periodic reports on risk exposure, risk portfolio composition and risk management activities;

(k) to provide timely input to the management on critical risk issues;

(l) to review and monit our Group's enterprise risk assessment and identify critical risks to be escalated to our Board on a quarterly basis; and

(m) to work with our Group Chief Financial Officer and internal audit function and contribut to the preparation of the statement on risk management and internal control for inclusion in our Company's Annual Report and recommending the same for the approval of our Board.

9.2.7 Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was established by our Board on 27 September 2021. Our Nomination and Remuneration Committee currently comprises the following members, of which a majority of them are Independent Non-Executive Directors:

Name	Designation	Directorship
Sukanta Kumar Dutt	Chairman	Independent Non-Executive Director
Loi Foon Kion	Member	Non-Independent Non-Executive Director
Tan Mei Shwen Serena	Member	Non-Independent Non-Executive Director
Dato' Dr Quaza Nizamuddin Bin A. Hassan Nizam	Member	Independent Non-Executive Director
Jocelyn Ng Lai Leng	Member	Independent Non-Executive Director

Our Nomination and Remuneration Committee undertakes, amongst others, the following functions:

(i) Nomination

(a) to regularly review the structure, size, balance and composition (including the skills, knowledge, independence, diversity (including gender diversity) and experience) required of our Board to ensure that our Board has the appropriate mix of skills, experience and other qualities including core competencies to function effectively and efficiently and is in compliance with the Listing Requirements, compared to its current position and make recommendations to our Board with regard to any changes;

(b) to give full consideration to succession planning for Directors and other senior executives of our Company (including the Chairman, members of the board committees and the Chief Executive Officer) in the course of its work, taking into account the challenges and opportunities faced by our Company, and what skills and expertise are therefore needed on our Board in the future;

(c) to be responsible for identifying and nominating for the approval of our Board, suitable candidates to fill our Board vacancies as and when they arise, including, proposing the membership and chairmanship of board committees;

(d) before making an appointment, to evaluate the balance of skills, knowledge, independence, diversity and experience on our Board, and, in light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Nomination and Remuneration Committee shall:

- use open advertising or the services of external advisers to facilitate the search;
- consider candidates from a wide range of backgrounds; and
- consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the position.

(e) to keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;

(f) to keep up to date and be fully informed about strategic issues and commercial changes affecting our Company and the market in which it operates;

(g) to review annually the time required from Non-Executive Directors. Performance evaluation should be used to assess whether the Non-Executive Directors are spending enough time to fulfil their duties;

(h) to review and recommend to our Board, the terms of employment and key performance indicators ("**KPIs**") of executive directors and assess the performance of the executive directors against their respective KPIs;

(i) to ensure that all Directors undergo appropriate induction and continuous training programmes to enhance their performance; and

(j) The Nomination and Remuneration Committee will also make recommendations to our Board concerning:

- plans for succession for both Executive Directors and Non-Executive Directors and in particular for the key roles of Chairman and Chief Executive Officer;
- suitable candidates for the role of senior independent Director;
- membership of the Audit and Risk Management Committee, in consultation with the chairman of the Audit and Risk Management Committee;
- the re-appointment of any Non-Executive Director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to our Board in light of the knowledge, skills, independence, diversity (including gender diversity) and experience required;
- the re-election by our shareholders of any Director under the "retirement by rotation" provisions in our Company's Constitution having due regard to their performance and ability to continue to contribute to our Board in light of the knowledge, skills, independence, diversity (including gender diversity) and experience required;
- any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of our Company subject to the provisions of the law and their service contract;
- the appointment of any Director to executive or other office other than to the positions of Chairman and Chief Executive Officer, the recommendation for which would be considered at a meeting of our Board;
- the assessment of the effectiveness of our Board and the performance and contribution of individual Directors;
- the making of whatever recommendations to our Board it deems appropriate on any area within its remit where action or improvement is needed;

- the inclusion of a statement in our Company's annual report about its activities in discharge of its duties for the financial year, including the process used to make appointments, provide explanations if external advice or open advertising has not been used and how the requirements under the Listing Requirements are met as well as the following information:

  (aa) the policy on our Board and senior management composition having regard to the mix of knowledge, skills, independence and diversity (including gender diversity) required to meet the needs of our Company;

  (bb) our Board nomination and election process of Directors and the criteria used by the Nomination and Remuneration Committee in the selection process; and

  (cc) the assessment undertaken by the Nomination and Remuneration Committee in respect of our Board, its committees and individual Directors together with the criteria used for such assessment; and

- at least once a year, the Nomination and Remuneration Committee shall carry out a review of its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to our Board for approval;

(ii) <u>Remuneration</u>

(a) to determine and recommend to our Board the general remuneration policy for Executive Directors, Non-Executive Directors, including Non-Executive Chairman and senior management of our Company with the objective of attracting, retaining and motivating executive management of the quality required;

(b) to review and recommend to our Board in relation to the remuneration structures of the Executive Directors, Non-Executive Directors, and senior management of our Company in all forms;

(c) to review and recommend to our Board the total individual remuneration package for the Executive Directors and senior management of our Company including, where appropriate, bonuses, incentive payments within the terms of the agreed remuneration policy and based on individual performance, relative to their respective KPIs;

(d) in respect of our Executive Directors, to ensure that the remuneration package commensurate with the skills and responsibility expected of the Director concerned and is sufficient to attract and retain Directors needed to run our Company successfully;

(e) in respect of our Non-Executive Directors, to ensure via our Board as a whole that the remuneration payable reflects the experience, level of expertise, and the time demanded of the Directors to discharge their duties and responsibilities undertaken;

(f) in respect of the senior management of our Company, to ensure that the remuneration package commensurate with the individual's performance, skills and experience, level of responsibility as well as the market benchmarks;

(g) to engage external professional advisers to assist and/or advise the Nomination and Remuneration Committee, on remuneration matters, where necessary;

(h) to review the fees of the Directors and any benefits payable to the Directors including any compensation for loss of employment of Director or former Director before presenting to our shareholders for approval;

(i) to provide clarification to our shareholders during general meetings on matters pertaining to remuneration of the Directors and senior management of our Company as well as the overall remuneration framework of our Company. The Directors who are shareholders of our Company should abstain from voting at the general meetings to approve their fees;

(j) to oversee the qualitative and quantitative disclosures of remuneration made in our Company's Annual Report and notice to general meetings;

(k) To oversee and monitor the administration of the ESOS to ensure that it is in compliance with the By-Laws as approved by our shareholders including:

- to recommend to our Board, as it deems fit, such Directors and/or senior management personnel to be appointed or replaced as members of the ESOS Committee;
- to recommend to our Board, where it deems necessary, any amendment, modification, addition or deletion to the terms of reference of the ESOS Committee, if applicable; and
- to do all acts and things and in such manner as it, in its discretion, deems fit and enter into any transaction, agreement, deed, document or arrangement and make such rules and regulations, imposed such terms and conditions, which are to be done by our Board pursuant to the By-Laws;

(iii) Other matters

(a) to act in line with the directions of our Board; and

(b) to consider and examine such other matters as the Nomination and Remuneration Committee considers appropriate or as authorised by our Board.

9.3 KEY SENIOR MANAGEMENT

Our key senior management is responsible for the day-to-day management and operations of our Group. The members of our key senior management as at the date of this Prospectus are as follows:

Name	Age	Designation
Loi Tuan Ee	59	Non-Independent Executive Director, Group Managing Director and Group Chief Executive Officer
Azmi Bin Zainal	56	Group Chief Operating Officer
Loi Tuan Kin	58	Plant Operations Director
Mohd Khairul Bin Mat Hassan	43	Group Chief Financial Officer
Adam Graeme Pretty	49	Managing Director of the Australian Business
Jacob a/l Mathan	32	Group Senior Farm Manager

9.3.1 Profiles of our key senior management

Save for the profile of Loi Tuan Ee which is set out in Section 9.1.1 of this Prospectus, the profiles of our other key senior management are as follows:

(i) Azmi Bin Zainal

Azmi Bin Zainal, a Malaysian aged 56, is our Group Chief Operating Officer.

He attended Sekolah Teknik Tuanku Jaafar, Ampangan Seremban for his secondary education until 1983.

He began his career with the Federal Land Development Authority ("**FELDA**") in 1989 as a land planning officer for Felda Lok Heng Barat where he was responsible for managing FELDA settlers' farming and social matters. Subsequent to leaving FELDA in 1997, he founded his own business, Gemilang Packaging Sdn Bhd, where he was involved in, amongst others, the trading and supply of industrial packaging.

From 2006 to 2008, he was on a two-year sabbatical where he pursued his personal interests. In 2008, he joined Nu Moto Sdn Bhd, a company involved in the trading and supply of motorcycles to FELDA and Army co-operatives as a sales representative.

He was appointed as the Chief Operating Officer of The Holstein Milk Company in 2010 and is responsible for managing the operations and sales of our Group. He is also actively involved in the distribution and marketing of our Group's products.

He has no family relationship with our Promoters, Substantial Shareholders, Directors and other key senior management of our Group.

He currently holds directorships in other private limited companies.

(ii) Loi Tuan Kin

Loi Tuan Kin, a Malaysian aged 58, is our Plant Operations Director and one of the co-founders of our Group. He has over 12 years' experience in the dairy industry.

He attended Sekolah Menengah Rendah Jalan Tok Perdana, Sitiawan, Perak for his secondary education until 1981. Upon completing his secondary education, he was on a two-year sabbatical from 1982 until 1984 to pursue his personal interests.

He began his career as a production supervisor at Century Bond Berhad in 1985. He was subsequently promoted to production manager and was responsible for overseeing plant operations. In 2005, he left Century Bond Berhad to join Rainforest Capital as an Executive Director and was tasked with overseeing the farming operations of the company.

In 2010, he co-founded The Holstein Milk Company Sdn Bhd together with Loi Tuan Ee and was instrumental in establishing our Mawai Farm in that same year. He currently oversees and manages all operational matters at both our Mawai Farm and Larkin Facility, which includes, amongst others, daily milk transfers from farm to factory, the processing of raw materials to finished goods, and the logistics coordination and distribution of our products within Malaysia and Singapore.

He is the brother to both Loi Tuan Ee and Loi Foon Kion.

Loi Tuan Kin currently holds directorships in other private limited companies.

(iii) Mohd Khairul Bin Mat Hassan

Mohd Khairul Bin Mat Hassan, a Malaysian aged 43, is our Group Chief Financial Officer.

He graduated from the University of Queensland, Australia in 2001 with a Bachelor of Commerce and subsequently obtained a Master of Commerce from the University of New South Wales, Australia in 2002. He commenced his career with Pricewaterhouse Coopers (Malaysia) as an Associate in 2002 and subsequently assumed the role of Senior Associate, where he was involved in assurance, audit and business advisory assignments until 2005. In 2006, he joined Pricewaterhouse Coopers Americas (Bermuda) as a Senior Associate before being promoted to the position of Manager, where he continued to be involved in assurance, audit and business advisory assignments.

He returned to Malaysia in 2007 and worked with UEM World Berhad from 2007 to 2008 as a Manager in the corporate finance department of the group. He was subsequently reassigned to UEM Sunrise Berhad (formerly known as UEM Land Holdings Berhad) in 2008 as a Deputy Senior Manager in the corporate planning and business development department before leaving the group at the end of 2011 to pursue a full-time one-year Masters in Business Administration (MBA) programme in 2012 with the INSEAD Business School ("**INSEAD**").

After completing his masters studies, he worked with A.T. Kearney, Inc. (Malaysia) from February 2013 to April 2014 as a management consultant. He then joined NUR Power Sdn Bhd ("**NUR Power**") as the Senior General Manager, Finance before being promoted to become the Chief Financial Officer of NUR Power group in May 2014. He left the NUR Power group in May 2020 and joined our Group as the Group Chief Financial Officer in June 2020. He brings with him over 17 years of experience in the field of accounting and finance.

He is responsible for the overall finance function, strategic and corporate finance matters, and general management of our Group.

He also holds a MBA from INSEAD since 2012 and has been a member of the Institute of Chartered Accountants in Australia since 2005 and the Malaysian Institute of Accountants since 2016.

He has no family relationship with our Promoters, Substantial Shareholders, Directors and other key senior management of our Group.

(iv) Adam Graeme Pretty

Adam Graeme Pretty, an Australian aged 49, is the Managing Director of the Australian Business.

He has over 27 years of experience as a livestock manager with Greenham in Victoria, Australia. Prior to joining our Group in 2017, he established Dairy Livestock Exports Pty Ltd, an Australian based company which is principally involved in the export of cows to Malaysia, Singapore, Taiwan, UAE, China and Indonesia.

He currently oversees our Group's Australia farming operations and is actively involved in the day-to-day operations of our Australian business.

He has no family relationship with our Promoters, Substantial Shareholders, Directors and other key senior management of our Group.

(v) Jacob a/l Mathan

Jacob a/l Mathan, a Malaysian aged 32, is our Group Senior Farm Manager.

He graduated with a Bachelor of Agricultural Science (Hons) in livestock production from Universiti Malaysia Sabah in 2014 and has been with our Group since. He commenced his career as a Farm Executive at our Mawai Farm in 2014 and was instrumental in the setup and development of our Muadzam Shah Cattle Research and Innovation Centre in Pahang. He was subsequently promoted to lead our Muadzam Shah Farm in 2015 and was appointed as Group Senior Farm Manager in 2018. He currently oversees the development and management of all our farming operations across Malaysia.

He has no family relationship with our Promoters, Substantial Shareholders, Directors and other key senior management of our Group.

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9.3.2 Shareholdings of our key senior management

Save for the shareholdings of Loi Tuan Ee which is set out in Section 9.1.4 of this Prospectus, the following table sets out the direct and indirect shareholdings of each of our key senior management in our Company before and after our IPO:

		Shareholding after the Pre-IPO Exercise (1)				After our IPO: Assuming the Over-allotment Option is not exercised(2)				After our IPO: Assuming the Over-allotment Option is fully exercised(2)				After our IPO: Upon Listing and assuming exercise of the ESOS Options(3)			
		Direct		Indirect		Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	Nationality	No. of Shares	%	No of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Azmi Bin Zainal	Malaysian	-	-	-	-	500,000	0.03	-	-	500,000	0.03	-	-	4,000,000	0.21	-	-
Loi Tuan Kin	Malaysian	1	*	-	-	1	*	-	-	1	*	-	-	2,000,001	0.11	-	-
Mohd Khairul Bin Mat Hassan	Malaysian	-	-	-	-	500,000	0.03	-	-	500,000	0.03	-	-	2,500,000	0.13	-	-
Adam Graeme Pretty	Australian	-	-	-	-	500,000	0.03	-	-	500,000	0.03	-	-	3,500,000	0.18	-	-
Jacob a/l Mathan	Malaysian	-	-	-	-	500,000	0.03	-	-	500,000	0.03	-	-	2,000,000	0.11	-	-

Notes:

* *Less than 0.01%.*

(1) *Based on our issued share capital of 1,635,000,137 Shares after the Pre-IPO Exercise.*

(2) *Based on our enlarged issued share capital of 1,857,954,837 Shares upon Listing and assuming full subscription of our Issue Shares allocated under the Pink Form Allocations.*

(3) *Based on our enlarged issued share capital of 1,895,113,837 Shares after assuming full exercise of the 37,159,000 ESOS Options intended to be offered as described in Section 4.2.6 of this Prospectus.*

9.3.3 Principal business activities performed by our key senior management outside our Group in the past five years

Save as disclosed below, none of our key senior management (other than Loi Tuan Ee who is also part of our key senior management which is disclosed in Section 9.2.3 of this Prospectus) are involved in business activities outside our Group as at the LPD or hold directorships in other companies outside our Group, at present and in the past five years preceding the LPD:

(i) Azmi Bin Zainal

Name of Company	Principal activities	Involvement in business activities
Present directorship:		
• Rumah Sembelih Hj Adam Sdn Bhd	• Operation of slaughterhouses engaged in killing, houses dressing or packing meat	• Director • Shareholder holding direct interest of 50.00%
Involvement in business activities other than as a director:		
• Farmchoice Foods	• Investment holding company with its subsidiary principally involved in dairy cows and the sale of dairy cow's milk	• Shareholder holding direct interest of 5.01%

(ii) Loi Tuan Kin

Name of Company	Principal activities	Involvement in business activities
Present directorships:		
• Rainforest Capital	• Investment holding company with its subsidiaries principally involved in commercial captive breeding of Asian arowana and cultivation of oil palm	• Director • Shareholder holding direct interest of 10.00%
• Farmchoice Foods	• Investment holding company with its subsidiary principally involved in dairy cows and the sale of dairy cow's milk	• Director • Shareholder holding direct interest of 5.01%
• Rainforest Arowana Sdn Bhd	• Commercial captive breeding of Asian arowana	• Director • Shareholder holding direct interest of 14.00% and indirect interest of 51.00% through Rainforest Capital

Name of Company	Principal activities	Involvement in business activities
• Rainforest Produce Sdn Bhd *(formerly known as Fleksi Jaya Sdn Bhd)*	• Cultivation of oil palm	• Director • Shareholder holding direct interest of 0.0001% and indirect interest of 99.99% through Rainforest Capital
Previous directorships in the past 5 years preceding the LPD:		
• Daebak Tea Sdn Bhd *(formerly known as Farm Fresh Holdings Sdn Bhd)*	• Investment holding company with no investments, as at the LPD	• Director (resigned 2 September 2021)

(iii) Adam Graeme Pretty

Name of Company	Principal activities	Involvement in business activities
Present directorships:		
• Dairy Livestock Exports Pty Ltd	• Agriculture	• Director • Shareholder holding direct interest of 100%
Involvement in business activities other than as a director:		
• Farmchoice Foods	• Investment holding company with its subsidiary principally involved in dairy cows and the sale of dairy cow's milk	• Shareholder holding direct interest of 1.70%

The involvement of Azmi Bin Zainal, Loi Tuan Kin and Adam Graeme Pretty in other business activities outside our Group will not affect their contributions to our Group and would not be expected to affect the operations of our Group as the day-to-day management and operations of these businesses or corporations are managed by the other shareholders or have their own independent management team.

9.3.4 Service contracts with our key senior management

As at the date of this Prospectus, there are no existing or proposed service contracts between our key senior management and us which provide for benefits upon termination of employment.

9.3.5 Remuneration and material benefits-in-kind of our key senior management

The remuneration and material benefits-in-kind of Loi Tuan Ee who is also part of our key senior management are set out in Section 9.2.5 of this Prospectus. The aggregate remuneration and material benefits-in-kind (including any contingent or deferred remuneration) paid or proposed to be paid to our other key senior management, for services rendered or to be rendered to us in all capacities to our Group for the FYE 31 March 2021 and 2022 are as follows:

	Remuneration Band (FYE 31 March)	
	2021 (Paid)	**2022 (Proposed)**
Key senior management	**RM'000**	**RM'000**
Azmi Bin Zainal	300 to 350	750 to 800
Loi Tuan Kin	700 to 750	800 to 850
Mohd Khairul Bin Mat Hassan	800 to 850	1,050 to 1,100
Adam Graeme Pretty	-	650 to 700
Jacob a/l Mathan	250 to 300	250 to 300

The remuneration of our key senior management, which includes salaries, bonus, fees and allowances as well as other benefits, must be considered and recommended by our Nomination and Remuneration Committee and subsequently approved by our Board.

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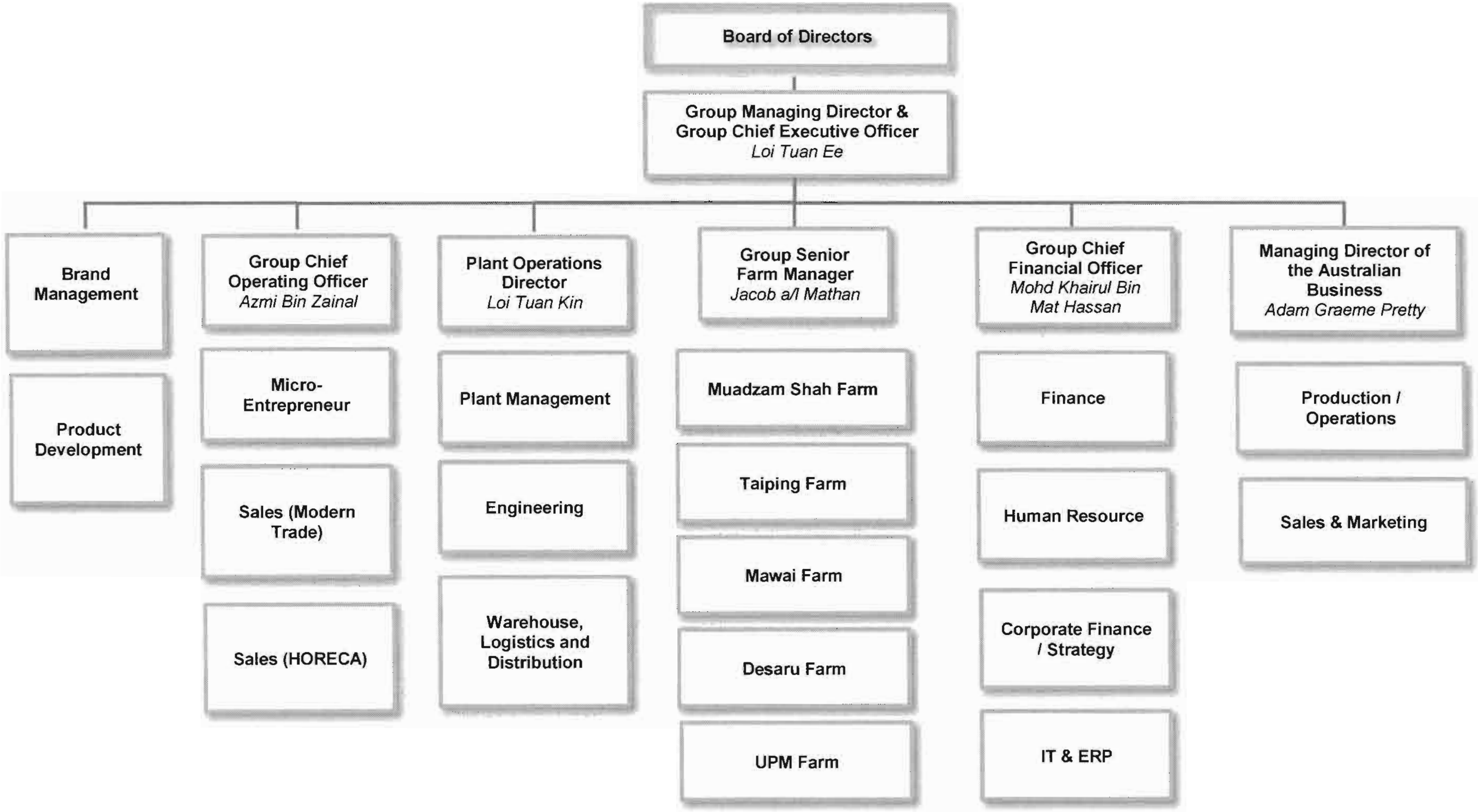
9.4 MANAGEMENT REPORTING STRUCTURE

Our management reporting structure is as follows:



9.5 ASSOCIATIONS OR FAMILY RELATIONSHIP BETWEEN OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

Save as disclosed below, there are no associations or family relationships between our Promoters, Substantial Shareholders, Directors and key senior management:

(i) Loi Tuan Ee, who is our Promoter, Substantial Shareholder, Non-Independent Executive Director, Group Managing Director and Group Chief Executive Officer, is:

- the brother of Loi Tuan Kin and Loi Foon Kion; and
- a representative of Rainforest Capital and Farmchoice Foods on our Board;

(ii) Loi Tuan Kin, who is our Plant Operations Director is:

- the brother of Loi Tuan Ee and Loi Foon Kion;

(iii) Loi Foon Kion, who is our Substantial Shareholder and Non-Independent Non-Executive Director is:

- the sister of Loi Tuan Ee and Loi Tuan Kin; and

(iv) Tan Mei Shwen Serena, who is our Non-Independent Non-Executive Director, is:

- a representative of Agrifood Resources on our Board.

9.6 DECLARATION BY OUR PROMOTERS, DIRECTORS, AND KEY SENIOR MANAGEMENT

Save as disclosed below, as at the LPD, none of our Promoters, Directors, or key senior management is and has been involved in any of following events (whether in or outside Malaysia):

(i) in the last 10 years, a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which such person was a partner or any corporation of which such person was a director or member of key senior management;

(ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;

(iii) in the last 10 years, charged or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;

(iv) in the last 10 years, any judgment was entered against such person, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his part, involving a breach of any law or regulatory requirement that relates to the capital market;

(v) in the last 10 years, the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his part that relates to the capital market;

(vi) the subject of any order, judgment or ruling of any court, government or regulatory authority or body temporarily enjoining such person from engaging in any type of business practice or activity;

(vii) the subject of any current investigation or disciplinary proceeding, or in the last 10 years, has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; or

(viii) any unsatisfied judgment against such person.

In 2019 and 2020, our Independent Non-Executive Chairman, Tan Sri Dato' Seri Haji Megat Najmuddin Bin Datuk Seri Dr. Haji Megat Khas ("**Tan Sri Megat**") was ordered by each of the Kuala Lumpur Sessions Court, Kuala Lumpur Magistrates Court, Shah Alam Sessions Court and the Shah Alam Magistrates Court ("**Courts**"), respectively, to pay to EPF, outstanding employee contributions in respect of certain private companies of which Tan Sri Megat was a director, for the period between December 2018 and January 2020 together with dividends and late payment charges at a rate determined by EPF ("**Outstanding Contributions**") ("**Court Cases**"). Tan Sri Megat was implicated in the Court Cases based solely on his directorships in those private companies, of which he was neither a shareholder of nor was he involved in the day-to-day operations or part of the management team.

As at the LPD, all Court Cases and Outstanding Contributions have since been settled and no further action had been taken against him by the Courts. Tan Sri Megat has also since resigned as a director of those private companies in 2020.

Our Directors are of the view that the past Court Cases will not affect the discharge of his duties and obligations as our Independent Non-Executive Chairman.

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10. RELATED PARTY TRANSACTIONS

10.1 OUR GROUP'S RELATED PARTY TRANSACTIONS

10.1.1 Related party transactions

Under the Listing Requirements, a "**related party transaction**" is a transaction entered into by a listed issuer or its subsidiaries that involves the interest, direct or indirect, of a related party. A "**related party**" of a listed issuer is:

(i) a director, having the meaning given in subsection 2(1) of the CMSA, and includes any person who is or was within the preceding six months of the date in which the terms of the transaction were agreed upon, a director of the listed issuer, its subsidiary or holding company or a chief executive of the listed issuer, its subsidiary or holding company; or

(ii) a major shareholder, and includes any person who is or was within the preceding six months of the date on which the terms of the transaction were agreed upon, a major shareholder of the listed issuer or its subsidiaries or holding company, and has or had an interest or interests in one or more voting shares in a corporation and the number or aggregate number of those shares, is:

   (a) 10.0% or more of all the voting shares in the corporation; or

   (b) 5.0% or more of all the voting shares in the corporation where such person is the largest shareholder of the corporation; or

(iii) a person connected with such director or major shareholder.

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10.1.2 Material related party transactions

Save as disclosed below, there are no other material transactions entered or to be entered into by our Group which involves the interest, direct or indirect, of our Directors, major shareholders and/or persons connected with them for the past three FYE 31 March 2019, 31 March 2020, 31 March 2021, FPE 30 September 2021 and the subsequent period from 1 October 2021 up to the LPD:

				Transaction value				
				FYE 31 March			FPE 30 September 2021	Between 1 October 2021 and the LPD
No.	Transacting parties	Nature of relationship	Nature of transaction	2019 (RM'000)	2020 (RM'000)	2021 (RM'000)	(RM'000)	(RM'000)
1.	FFMSB and Provenance Creamery	**Interested director** Loi Tuan Ee[1] **Interested major shareholder** Loi Tuan Ee[1]	Sale of finished goods by FFMSB to Provenance Creamery for distribution to stockists in Singapore. After our Listing, our Group does not intend to enter into a similar transaction with Provenance Creamery. This transaction does not contain any salient terms. We intend to exercise the call option within three months from the date of our Listing. Following the exercise of the call option, Provenance Creamery will become our wholly-owned subsidiary. Please refer to Section 11.1.1 of this Prospectus for further details on the call option.	5,288 (3.0% of our Group's revenue)	5,211 (1.7% of our Group's revenue)	1,019 (0.2% of our Group's revenue)	-	-

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

				Transaction value				
				FYE 31 March				
No.	**Transacting parties**	**Nature of relationship**	**Nature of transaction**	**2019 (RM'000)**	**2020 (RM'000)**	**2021 (RM'000)**	**FPE 30 September 2021 (RM'000)**	**Between 1 October 2021 and the LPD (RM'000)**
2.	FFMSB and Provenance Creamery	**Interested director** Loi Tuan Ee(1) **Interested major shareholder** Loi Tuan Ee(1)	Amounts owing by Provenance Creamery to FFMSB for advances/payments made by FFMSB to third parties for and on behalf of Provenance Creamery in respect of setting up kiosks. The amounts owing by Provenance Creamery have been fully repaid on 15 January 2021. After our Listing, our Group does not intend to provide similar advances to/payments on behalf of Provenance Creamery. This transaction does not contain any salient terms. We intend to exercise the call option within three months from the date of our Listing. Following the exercise of the call option, Provenance Creamery will become our wholly-owned subsidiary. Please refer to Section 11.1.1 of this Prospectus for further details on the call option.	3,171 (1.2% of our Group's total assets)	1,208 (0.3% of our Group's total assets)	-	-	-

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

				Transaction value				
				FYE 31 March			FPE 30 September 2021	Between 1 October 2021 and the LPD
No.	Transacting parties	Nature of relationship	Nature of transaction	2019 (RM'000)	2020 (RM'000)	2021 (RM'000)	(RM'000)	(RM'000)
3.	Farm Fresh and Loh Ngat Mui	**Interested director** Loi Tuan Ee[1] **Interested major shareholder** Loi Tuan Ee[1]	Call option granted by Loh Ngat Mui to Farm Fresh in respect of the entire issued share capital of Provenance Creamery held by Loh Ngat Mui. We intend to exercise the call option within three months from the date of our Listing. Please refer to Section 11.1.1 of this Prospectus for the salient terms of this transaction and further details on the call option.	-	-	-	*Negligible	-
4.	FFMSB and Rainforest Produce Sdn Bhd ("**Rainforest Produce**")	**Interested director** Loi Tuan Ee[1] Loi Tuan Kin[2] **Interested major shareholder** Loi Tuan Ee[1] Loi Tuan Kin[2] Rainforest Capital[3]	Rental of all that piece of freehold land held under Geran 95052, Lot 203, Mukim Ulu Sungei Sedili Besar, Daerah Kota Tinggi, Johor by FFMSB from Rainforest Produce. After our Listing, this transaction will subsist. Please refer to Note (8) for the salient terms of this transaction.	3 (0.01% of our Group's cost of sales)	-	-	9 (0.01% of our Group's cost of sales)	4 (0.002% of our Group's cost of sales)

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

				Transaction value				
				FYE 31 March			FPE 30 September 2021	Between 1 October 2021 and the LPD
No.	**Transacting parties**	**Nature of relationship**	**Nature of transaction**	**2019 (RM'000)**	**2020 (RM'000)**	**2021 (RM'000)**	**(RM'000)**	**(RM'000)**
5.	FFMSB and NL Cold Chain Network (M) Sdn Bhd ("**CCN**")	**Interested director** Tan Mei Shwen Serena[(4)] **Interested major shareholder** Agrifood Resources[(5)] Khazanah[(5)]	Provision of logistic services including warehouse facilities and transportation services by CCN to FFMSB[(6)]. The contract has expired on 30 April 2020. Notwithstanding the foregoing, FFMSB continued to obtain logistic services from CCN on an-ad-hoc basis up till the LPD. After our Listing, FFMSB does not intend to enter into a similar transaction with CCN. This transaction does not contain any salient terms.	1,360 (1.1% of our Group's cost of sales)	1,615 (0.7% of our Group's cost of sales)	552 (0.2% of our Group's cost of sales)	73 (0.04% of our Group's cost of sales)	6 (0.007% of our Group's cost of sales)
6.	Farm Fresh and CCN	**Interested director** Tan Mei Shwen Serena[(4)] **Interested major shareholder** Agrifood Resources[(5)] Khazanah[(5)]	Provision of logistic services including warehouse facilities and transportation services by CCN to Farm Fresh on an ad-hoc basis. After our Listing, this transaction will subsist. This transaction does not contain any salient terms.	-	-	48 (0.01% of our Group's cost of sales)	18 (0.01% of our Group's cost of sales)	7 (0.008% of our Group's cost of sales)

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

				Transaction value				
				FYE 31 March			FPE 30 September 2021	Between 1 October 2021 and the LPD
No.	**Transacting parties**	**Nature of relationship**	**Nature of transaction**	**2019 (RM'000)**	**2020 (RM'000)**	**2021 (RM'000)**	**(RM'000)**	**(RM'000)**
7.	Farm Fresh and Biotropics Malaysia Berhad	**Interested director** Tan Mei Shwen Serena[(4)] **Interested major shareholder** Agrifood Resources[(5)] Khazanah[(5)]	Supply of ingredients used to make Tongkat Ali flavoured milk. After our Listing, this transaction will subsist. This transaction does not contain any salient terms.	-	-	345 (0.1% of our Group's cost of sales)	-	60 (0.02% of our Group's cost of sales)
8.	Farm Fresh and Agrifood Resources	**Interested director** Tan Mei Shwen Serena[(4)] **Interested major shareholder** Agrifood Resources[(5)] Khazanah[(5)]	Provision of a shareholders' loan by Agrifood Resources to Farm Fresh.	-	31,000 (inclusive of RM1,000,000 in interest) (14.4% of our Group's total liabilities)-	3,013 (interest) (0.8% of our Group's total liabilities)	552 (interest) (0.1% of our Group's total liabilities)	-
9.	Goulburn Valley Creamery and Dairy Livestock Exports Pty Ltd ("**DLE**")	**Interested director** Adam Graeme Pretty[(6)] **Interested major shareholder** DLE[(7)]	Purchase of fodder and water by Goulburn Valley Creamery from DLE on an ad-hoc basis. After our Listing, this transaction will subsist. This transaction does not contain any salient terms.	2,032 (1.6% of our Group's cost of sales)	638 (0.3% of our Group's cost of sales)	186 (0.1% of our Group's cost of sales)	-	-

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

Notes:

* *SGD1.00 paid by Farm Fresh to Loh Ngat Mui on 20 August 2021 in consideration for the call option and the exercise price for the option shares is SGD1.00. As at the LPD, the issued and paid up share capital of Provenance Creamery is SGD1.00. Please refer to Section 11.1.1 of this Prospectus for further details.*

(1) *Loi Tuan Ee is a director of our Company, FFMSB, Rainforest Produce and Rainforest Capital. Loi Tuan Ee is also a major shareholder of our Company, Rainforest Produce and Rainforest Capital. He was the former shareholder of Provenance Creamery and he disposed of his shareholdings in Provenance Creamery on 19 January 2021 to Loh Ngat Mui, a person connected to Loi Tuan Ee.*

(2) *Loi Tuan Kin is a director of FFMSB and Rainforest Produce and is a shareholder of Rainforest Capital. He is the brother of Loi Tuan Ee and the brother-in-law of Loh Lee Mui.*

(3) *Rainforest Capital is our major shareholder and holds 100% of the issued share capital in Rainforest Produce.*

(4) *Tan Mei Shwen Serena is a Director of our Company and is a person connected to Agrifood Resources.*

(5) *Agrifood Resources and Khazanah are major shareholders of our Company. CCN and Biotropics Malaysia Berhad are subsidiaries of Agrifood Resources. As such, Agrifood Resources and Khazanah are common major shareholders of our Group, CCN and Biotropics Malaysia Berhad.*

(6) *Adam Graeme Pretty is a director of each of the Australian subsidiaries and is the sole shareholder of DLE.*

(7) *DLE holds 20% of the issued share capital of THMC (Australia) and is a trustee of the Adam Pretty Family Trust.*

(8) *The salient terms of the transaction with Rainforest Produce are as follows:*

- (a) *the tenancy is for a term of up to three years from 1 April 2021 to 31 March 2024 with an option to renew for a year (on the same terms other than the option to renew) at a monthly rental of RM1,000; and*
- (b) *unless Rainforest Produce defaults in the performance of any of its obligations under the tenancy agreement and fails to remedy within the prescribed time, FFMSB is not allowed to terminate the tenancy before the expiry of the tenancy.*

Our Audit and Risk Management Committee have reviewed the salient terms of the above material transactions which will subsist after our Listing (namely, the transactions referred to under items 3 and 4 in the table above) and are of the opinion that the salient terms are not detrimental to our Group's minority shareholders.

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

Our Directors confirm that the above material transactions were transacted on an arm's length basis and on normal commercial terms which were not more favourable to the related parties than those generally available to third parties and accordingly were not detrimental or unfavourable to our non-interested shareholders, save for the following:

(i) Call option granted by Loh Ngat Mui

The call option is not considered by our Directors to be on an arm's length basis as it was provided on terms favourable to us at a nominal consideration of SGD1.00 and grants our Company a call option over all the shares in Provenance Creamery at the exercise price of SGD1.00. Please refer to Section 11.1.1 of this Prospectus for further details. Therefore, our Directors are of the view that the terms of the call option are not detrimental to our Group and our non-interested shareholders.

Our Company intends to exercise the call option within three months from the date of our Listing and in doing so will ensure compliance with the Listing Requirements. Following the exercise of the call option, our Group does not intend to enter into a similar arrangement with Loh Ngat Mui.

(ii) Provision of a shareholders' loan by Agrifood Resources

The shareholders' loan extended by Agrifood Resources to our Company is not considered by our Directors to be on arm's length basis as it was not provided on normal commercial terms. The terms and conditions of the shareholders' loan were less favourable to our Company as the interest rate charged by Agrifood Resources is higher than that charged by other third party financiers. However, our Directors are of the view that the shareholders' loan is beneficial and not detrimental to our Group and our non-interested shareholders as the monies were required at that time to purchase the business and certain business assets in Australia, including the IXL and Taylor's brands and the Kyabram processing facility. As at the LPD, all outstanding amounts owing by our Company to Agrifood Resources under the shareholders' loan have been repaid using proceeds from the Sukuk issuance.

Following our Listing, our Group does not intend to enter into a similar transaction with Agrifood Resources.

(iii) Rental of all that piece of freehold land held under Geran 95052, Lot 203, Mukim Ulu Sungei Sedili Besar, Daerah Kota Tinggi, Johor ("**Lot 203**") by FFMSB from Rainforest Produce

The rental rate payable for Lot 203 to Rainforest Produce is not considered by our Directors to be on an arm's length basis as it was provided on terms favourable to us. The rental rate payable to Rainforest Produce is below the market rate for lands of a similar size. Please refer to Annexure B for further details on Lot 203. Our Directors are of the view that the rental rate payable to Rainforest Produce is beneficial and not detrimental to our Group and our non-interested shareholders.

Following our Listing, the Directors of the Company will ensure that future transactions with Rainforest Produce (if any) will be in compliance with the Listing Requirements.

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

Save for the Master Cornerstone Placement Agreement and the individual cornerstone placement agreements entered into by our Company as described in Section 4.2.2 of this Prospectus, our Directors also confirm that there are no other material transactions that have been entered into by our Group that involve the interest, direct or indirect, of our Directors, major shareholders and/or persons connected with them but not yet effected up to the date of this Prospectus.

After our Listing, we will be required to seek our shareholders' approval each time we enter into a material related party transaction in accordance with the Listing Requirements. However, if such related party transactions can be deemed as recurrent related party transactions, we may seek a general mandate from our shareholders to enter into these transactions without having to seek separate shareholders' approval each time we wish to enter into such related party transactions during the validity period of the mandate.

In addition, to safeguard the interest of our Group and our minority shareholders, and to mitigate any potential conflict of interest situation, our Audit and Risk Management Committee will, amongst others, monitor and oversee related party transactions and the terms thereof and report to our Board for further action. Where necessary, our Board will make appropriate disclosures in our annual report with regard to any related party transactions entered into by us.

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10.1.3 Transactions entered into that are unusual in their nature or conditions

Our Board has confirmed that there are no transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets to which our Company and any of our subsidiaries were a party in respect of the past three FYEs 31 March 2019, 31 March 2020, 31 March 2021, FPE 30 September 2021 and the subsequent period from 1 October 2021 up to the LPD.

10.1.4 Outstanding loans and/or financial assistance made to or for the benefit of related parties

Our Board has confirmed that there are no outstanding loans (including guarantees of any kind) and/or financial assistance made by our Group to or for the benefit of any related party for the past three FYEs 31 March 2019, 31 March 2020, 31 March 2021, FPE 30 September 2021 and the subsequent period from 1 October 2021 up to the LPD.

10.2 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS

10.2.1 Audit and Risk Management Committee review

The Audit and Risk Management Committee reviews related party transactions and conflicts of interest situations that may arise within our Company, our Group and any related parties outside our Group. The Audit and Risk Management Committee also reviews any transaction, procedure or course of conduct that raises questions of management integrity, including our related party transactions. In reviewing the related party transactions, the following, amongst other things will be considered:

(i) the rationale and the cost/benefit to our Company is first considered;

(ii) where possible, comparative quotes will be taken into consideration;

(iii) that the transactions are based on normal commercial terms and not more favourable to the related parties than those generally available to third parties dealing on an arm's length basis; and

(iv) that the transactions are not detrimental to our Company's minority shareholders.

All reviews by the Audit and Risk Management Committee are reported to our Board for its further action.

10.2.2 Our Group's policy on related party transactions

Related party transactions by their very nature, involve conflicts of interest between our Group and the related parties with whom our Group has entered into such transactions. Some of the Directors of our Group are also directors and in some cases, shareholders of the related parties of our Group, as disclosed in this Prospectus and, with respect to these related party transactions, may individually and in aggregate have conflicts of interest. It is the policy of our Group that all related party transactions are carried out on normal commercial terms which are not more favourable to the related parties than those generally available to the public dealing at arm's length with our Group and are not to the detriment of our minority shareholders.

In addition, we plan to adopt a comprehensive corporate governance framework that meets best practice principles to mitigate any potential conflict of interest situations and intend for the framework to be guided by the Listing Requirements and the MCCG upon our Listing. The procedures which may form part of the framework includes, amongst other things, the following:

(i) our Board will undertake an annual assessment of our Independent Directors;

(ii) our Directors will be required to declare any direct or indirect interest that they may have in any business enterprise that is engaged in or proposed to be engaged in a transaction with our Group, whether or not they believe it is a material transaction. Upon such disclosure, the interested Director shall be required to abstain from deliberation and voting on any resolution related to the related party transaction; and

(iii) all existing or potential related party transactions would have to be disclosed by the interested party for management reporting. Our management will propose the transactions to our Audit and Risk Management Committee for evaluation and assessment who would in turn, make a recommendation to our Board.

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11. CONFLICT OF INTEREST

11.1 INTEREST IN ENTITIES WHICH CARRY ON A SIMILAR TRADE AS THAT OF OUR GROUP OR WHICH ARE OUR CUSTOMERS OR SUPPLIERS

Save as disclosed below, our Directors and Substantial Shareholders do not have any interest, direct or indirect, in any entities which are carrying on a similar trade as that of our Group or who are our customers and/or suppliers.

11.1.1 Substantial Shareholder's and Director's interest in Provenance Creamery

Prior to 19 January 2021, our Substantial Shareholder and Director, Loi Tuan Ee was the sole shareholder of Provenance Creamery, a company incorporated in Singapore which is primarily involved in the wholesale of a general line (wide range) of groceries (such as cereals, sugar, edible oils, sauces and dairy products) and distribution and retail of dairy product ("**Business**"). Provenance Creamery was previously known as Farm Fresh Milk Pte Ltd until its change of name on 11 November 2021.

Loi Tuan Ee had, on 19 January 2021, disposed of one ordinary share in Provenance Creamery ("**Provenance Creamery Share**") (being the entire issued and paid-up share capital of Provenance Creamery) to Loh Ngat Mui ("**Disposal**"), the sister of Loi Tuan Ee's wife. Presently, Loh Ngat Mui is also the sole director of Provenance Creamery. Our Board notes that following the Disposal, Loi Tuan Ee continues to have an interest outside our Group in Singapore (through Loh Ngat Mui) which previously shared the "Farm Fresh" name.

Our Board is of the view that any potential conflict of interest situation which may arise through the involvement of our Substantial Shareholder and Director as described above in Provenance Creamery has been mitigated on the basis that:

(a) Provenance Creamery no longer shares the "Farm Fresh" name with effect from 11 November 2021 following its change of name from Farm Fresh Milk Pte Ltd to Provenance Creamery Pte Ltd;

(b) Provenance Creamery has provided an undertaking to our Company that:

   (i) it will not undertake any activities or operations whatsoever, business or otherwise other than the Business or otherwise provided in the undertaking without our prior written approval; and

   (ii) in undertaking the Business, it shall not without our prior written approval purchase or sell any products other than our Group's UHT products.

   Loh Ngat Mui has provided an undertaking to our Company that she shall:

   (i) procure that Provenance Creamery shall not undertake any activities or operations whatsoever, business or otherwise other than the Business or otherwise provided in the undertaking, without our prior written approval;

   (ii) not pledge, mortgage, charge or encumber the Provenance Creamery Share, sell, transfer or dispose of or grant any option over the Provenance Creamery Share or any interest in the Provenance Creamery Share or enter into any agreement in respect of the voting and such other rights attached to the Provenance Creamery Share without our prior written approval; and

(iii) procure that Provenance Creamery, in undertaking the Business, shall not without our prior written approval purchase or sell any products other than our Group's UHT products.

As such, there will not be any change in ownership of the Provenance Creamery Share such that Provenance Creamery may operate any business outside our Group in Singapore other than as stated in the undertakings above. The name change further ensures that Provenance Creamery's conduct and Business will not be mistaken as that of our Group's;

(c) the purchase of UHT products from our Group by Provenance Creamery will be a related party transaction and accordingly, will be subject to compliance of the requirements under the Listing Requirements, including our Board ensuring that any such transaction will be carried out on an arm's length basis and based on normal commercial terms which will not be more favourable to Provenance Creamery that those generally available to third parties; and

(d) Loh Ngat Mui had, on 20 August 2021, granted us a call option over the Provenance Creamery Share held by her (representing the entire issued and paid up share capital of Provenance Creamery) ("**Call Option**") which enables us to acquire Provenance Creamery by exercising the Call Option.

As at the LPD, the arrangement described in Sections 11.1.1(b) and (c) above and the terms of the Call Option have not changed.

Barring any unforeseen circumstances, we intend to exercise the Call Option within three months from the date of our Listing. The timing for the exercise of the Call Option takes into consideration our Group's strategy for continued expansion in Singapore. Notwithstanding our plan currently is to leverage on our existing and potential distributors for the distribution of our products in Singapore, Provenance Creamery provides another avenue for us to potentially deepen our presence in the market. By making Provenance Creamery our wholly-owned subsidiary, we would have the option to utilise Provenance Creamery to distribute our products in Singapore, if necessary, and develop a base for local resources and localised decision-making to connect better with the market.

Further, we intend to apply for trademark registrations for the rest of our brand names under which our products are or will be marketed and sold in Singapore for the protection of our brand names, where possible. This exercise has become more relevant with our growing and expanding businesses and business activities in Singapore, and with Provenance Creamery subsequently becoming part of our Group as a result of our exercise of the Call Option to deepen our market presence in Singapore.

11.2 DECLARATION BY ADVISERS ON CONFLICTS OF INTEREST

11.2.1 Declaration by CIMB

CIMB, its related and associated companies, as well as its holding company CIMB Group Holdings Berhad, and the subsidiaries and associated companies of its holding company ("**CIMB Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, assets and fund management and credit transaction services businesses. The CIMB Group has engaged and may in the future, engage in transactions with and perform services for our Group.

In addition, in the ordinary course of business, any member of the CIMB Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with our Company and/or our affiliates or any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, make investment recommendations and/or publish or express independent research views on such securities and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of our Company and/or our affiliates. This is a result of the business of the CIMB Group generally acting independently of each other, and accordingly, there may be situations where parts of the CIMB Group and/or its customers now have or in the future, may have interests or take actions that may conflict with the interests of our Company and/or our affiliates.

As at the LPD, CIMB Islamic Bank Berhad has extended credit facilities of about RM41.8 million (in the form of term loan, Islamic financing and trade lines) as well as foreign exchange and derivatives facilities of about RM0.8 million to our Group as part of its ordinary course of business. In addition, CIMB Bank Berhad has subscribed to fixed income securities issued by our Group and is one of the holders of the Sukuk Wakalah Programme issued by our Company, both of which amounts to a total of about RM11.4 million.

Tan Mei Shwen Serena, our Non-Independent Non-Executive Director is also a non-independent non-executive director of CIMB Bank Berhad and CIMB Group Holdings Berhad. In addition, Sukanta Kumar Dutt, our Independent Non-Executive Director is an independent director of CIMB Bank Berhad.

CIMB is of the view that the abovementioned do not result in a conflict of interest in respect of its capacity as Sole Principal Adviser, Joint Global Coordinator, Joint Bookrunner, Joint Managing Underwriter and Joint Underwriter for our IPO due to the following:

(i) CIMB Islamic Bank Berhad is a licensed commercial bank and the extension of credit facilities as well as foreign exchange and derivatives facilities to our Group arose in the ordinary course of business of CIMB Islamic Bank Berhad;

(ii) the total credit facilities and the foreign exchange and derivatives facilities granted by CIMB Islamic Bank Berhad to our Group as well as CIMB Bank Berhad's subscription of fixed income securities and the holding of the Sukuk Wakalah Programme issued by our Company are not material when compared to the audited NA of the CIMB Group as at 31 December 2020 of RM57.2 billion.

(iii) Tan Mei Shwen Serena and Sukanta Kumar Dutt are not involved in the day-to-day management and operations in their respective capacities in the CIMB Group including any decision making process in connection with our IPO.

11.2.2 Declaration by Maybank IB

Maybank IB, being Joint Global Coordinator, Joint Bookrunner, Joint Managing Underwriter and Joint Underwriter for our IPO, and its related and associated companies ("**Maybank Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage service, securities trading, assets and funds management and credit transaction services businesses. The Maybank Group has engaged and may in the future, engage in transactions with and perform services for our Company and/or our affiliates, in addition to the roles set out in this Prospectus. In addition, in the ordinary course of business, any member of the Maybank Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of our Group, our shareholders and/or our affiliates and/or any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of any member of our Group and/or our affiliates. This is a result of the businesses of the Maybank Group generally acting independently of each other, and accordingly, there may be situations where parts of the Maybank Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interest of our Group. Nonetheless, the Maybank Group is required to comply with applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities and Chinese wall between different business divisions.

As at the LPD, the Maybank Group has not extended any credit facility to our Group.

Maybank IB is of the view that the abovementioned do not give rise to a conflict of interest situation in its capacity as Joint Global Coordinator, Joint Bookrunner, Joint Managing Underwriter and Joint Underwriter as the conduct of the Maybank Group in its banking business is strictly regulated by, among others, the Financial Services Act, 2013, Islamic Financial Services Act, 2013 and the Maybank Group's own internal controls and checks.

Maybank IB confirms that there is no conflict of interest situation in its capacity as Joint Global Coordinator, Joint Bookrunner, Joint Managing Underwriter and Joint Underwriter for our IPO.

11.2.3 Declaration by Credit Suisse

Credit Suisse, together with its affiliates, branches and subsidiaries (together, the "**Credit Suisse Group**"), comprise a full service financial services provider engaged in securities trading, brokerage activities as well as investment banking and financial advisory services. In the ordinary course of trading and brokerage activities, members of the Credit Suisse Group may hold positions for its own account or to the accounts of its customers, in equity, debt or other securities of members of our Group.

The Credit Suisse Group may engage in transactions, with, and perform services for our Group in the ordinary course of business and has engaged, and may in the future engage, in commercial banking and investment banking transactions, including providing loans or entering into other financing arrangements, with our Group, for which the Credit Suisse Group has received, or may in the future receive, customary compensation.

Having regard to the foregoing, Credit Suisse confirms that there is no conflict of interest in its capacity as the Joint Global Coordinator and Joint Bookrunner for our IPO as the Credit Suisse Group has not made any loan to our Company (to the knowledge of Credit Suisse) and Credit Suisse will not receive any proceeds from our IPO, except with respect to the fees payable to, and expenses incurred by Credit Suisse in connection with its roles as the Joint Global Coordinator and the Joint Bookrunner for our IPO.

11.2.4 Affin Hwang Investment Bank Berhad

Affin Hwang IB confirms that there is no conflict of interest in its capacity as the Joint Underwriter in relation to our IPO.

11.2.5 AmInvestment Bank Berhad

AmIB, is a wholly-owned subsidiary of AMMB Holdings Berhad ("**AMMB**"). AMMB, AmInvestment Bank Berhad, its subsidiaries ("**AmBank Group**") and its related and associated companies are a diversified financial group and are involved in a wide range of businesses relating to amongst others, retail banking, investment banking, commercial banking, brokerage, securities trading, asset and funds management and credit transaction services. The AmBank Group may in the future be engaged in transactions with and/or perform services for our Group and our affiliates, in addition to AmIB's role as the Joint Underwriter for our IPO.

In addition, in the ordinary course of business, any member of the AmBank Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of our Group, our affiliates, and/or any other entity or person, hold long or short positions in securities issued by our Group, make investment recommendations and/or publish or express independent research views on such securities, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of our Group and our affiliates. This is a result of the business of the AmBank Group generally acting independent of each other and accordingly, there may be situations where parts of the AmBank Group and/or its customers now have, or in the future, may have interest or take actions that may conflict with the said interest. Nonetheless, the AmBank Group is required to comply with applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities, and Chinese wall between different business divisions.

As at the LPD, the AmBank Group has not extended any credit facilities to our Group. AmIB confirms that there is no existing or potential conflict of interest in its capacity as the Joint Underwriter in relation to our IPO.

11.2.6 Hong Leong Investment Bank Berhad

HLIB and its related and associated companies, as well as its holding company Hong Leong Financial Group Berhad and the subsidiaries and associated companies of its holding company ("**Hong Leong Group**") form a diverse range of industries and businesses including banking and financial services, manufacturing and distribution, property development and investments, hospitality and leisure, and principal investments amongst others.

In addition, in the ordinary course of business, HLIB and any member of the Hong Leong Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with any member of our Group and/or our affiliates, and/or any other entity or person hold long or short positions in securities issued by us and/or our affiliates, make investment recommendations and/or publish or express independent research views on such securities, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of our Group and/or its affiliates. This is a result of the businesses of the Hong Leong Group, and accordingly there may be situations where HLIB or parts of the Hong Leong Group and/or its clients now have or in the future, may have interests or take actions that may conflict with the interests of our Group.

As at the LPD, HLIB has not extended any credit facilities to our Group. HLIB confirms that there is no conflict of interest in its capacity as the Joint Underwriter in relation to our IPO.

11.2.7 RHB Investment Bank Berhad

RHB IB and its related and associated companies ("**RHB Banking Group**") form a diversified financial group and engage in private banking, commercial banking and investment banking transactions which include, among others, brokerage, securities trading, assets and fund management as well as credit transaction services. The RHB Banking Group has engaged and may in the future engage in transactions with and perform services for our Group, in addition to the roles set out in this Prospectus.

In addition, any member of the RHB Banking Group may at any time, in the ordinary course of business, offer to provide its services or to engage in any transaction (on its own account or otherwise) with any member of our Group, our shareholders, our affiliates and/or any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of any member of our Group and/or its affiliates. This is a result of the businesses of the RHB Banking Group generally acting independently of each other and accordingly, there may be situations where parts of the RHB Banking Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interests of our Group. The related companies of RHB IB may also bid for our Shares to be offered under the Institutional Offering.

RHB IB is of the view that the abovementioned do not give rise to a conflict of interest situation in its capacity as the Joint Underwriter for our IPO due to the following:

(i) RHB IB is a licensed investment bank and its appointment as the Joint Underwriter for our IPO is in the ordinary course of its business and RHB IB does not receive or derive any financial interest or benefits save for the professional fees received in relation to its appointment as the Joint Underwriter for our IPO;

(ii) RHB IB is also required under its investment banking license to comply with strict policies and guidelines issued by the SC, Bursa Securities and BNM governing its advisory operations. These guidelines require, amongst others, the establishment of Chinese wall policies, clear segregation between dealing and advisory activities and the formation of an independent committee to review its business operations;

(iii) The conduct of RHB Banking Group in its banking business is strictly regulated by the Financial Services Act 2013, the CMSA and RHB Banking Group's own internal controls and checks which includes, segregation of reporting structures, in that its activities are monitored and reviewed by independent parties and committees.

RHB IB confirms that it is not aware of any circumstance that exists or is likely to exist to give rise to a conflict of interest situation in its capacity as the Joint Underwriter for our IPO.

11.2.8 Declaration by KPMG PLT

KPMG PLT confirms that there is no conflict of interest in its capacity as the Auditors and Reporting Accountants to our Company in relation to our IPO.

11.2.9 Declaration by Adnan Sundra & Low

Adnan Sundra & Low confirms that there is no conflict of interest in its capacity as the Legal Adviser to our Company as to Malaysian law in relation to our IPO.

11.2.10 Declaration by Clifford Chance Pte Ltd

Clifford Chance Pte Ltd confirms that there is no conflict of interest in its capacity as the Legal Adviser to our Company as to United States federal securities law and English law in relation to our IPO.

11.2.11 Declaration by PricewaterhouseCoopers (Legal)

PricewaterhouseCoopers (Legal) confirms that there is no conflict of interest in its capacity as the Legal Adviser to our Company as to Australian law in relation to our IPO.

11.2.12 Declaration by Kadir, Andri & Partners

Kadir, Andri & Partners confirms that there is no conflict of interest in its capacity as the Legal Adviser to the Joint Global Coordinators, Joint Bookrunners, Managing Underwriter and Joint Underwriters as to Malaysian law in relation to our IPO.

11.2.13 Declaration by Allen & Overy LLP

Allen & Overy LLP confirms that there is no conflict of interest in its capacity as the Legal Adviser to the Joint Global Coordinators, Joint Bookrunners, Managing Underwriter and Joint Underwriters as to United States federal securities law and English law in relation to our IPO.

11.2.14 Declaration by Frost & Sullivan

Frost & Sullivan confirms that there is no conflict of interest in its capacity as the IMR in relation to our IPO.

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12.1 HISTORICAL FINANCIAL INFORMATION

12.1.1 Selected historical consolidated financial data

The following selected historical consolidated financial data for FYE 31 March 2019, 31 March 2020 and 31 March 2021 and FPE 30 September 2020 and 30 September 2021 have been extracted from the Accountants' Report included in Section 13 of this Prospectus. The historical results for any prior financial years or interim periods are not necessarily indicative of results to be expected for a full financial year or interim period or for any future financial year or interim period.

The following selected historical consolidated financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Section 12.2 of this Prospectus and the Accountants' Report in Section 13 of this Prospectus.

Selected consolidated statement of profit and loss data

	FYE 31 March			FPE 30 September	
	Audited			Unaudited	Audited
	2019	2020	2021	2020	2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	178,227	303,067	490,498	234,423	257,187
Cost of sales	(123,833)	(223,013)	(349,612)	(167,341)	(191,731)
Gross profit	**54,394**	**80,054**	**140,886**	**67,082**	**65,456**
Other income	4,724	2,763	9,021	3,414	11,665
Selling and distribution expenses	(11,578)	(19,782)	(37,522)	(18,739)	(14,730)
Administrative expenses	(14,423)	(20,230)	(27,060)	(10,294)	(15,719)
Other expenses	(653)	(194)	(7,980)	(40)	(6,210)
Results from operating activities	**32,464**	**42,611**	**77,345**	**41,423**	**40,462**
Finance income	213	46	228	142	395
Finance costs	(4,496)	(6,481)	(9,984)	(4,050)	(5,650)
Net finance costs	**(4,283)**	**(6,435)**	**(9,756)**	**(3,908)**	**(5,255)**
PBT	**28,181**	**36,176**	**67,589**	**37,515**	**35,207**
Tax expense					
- (Current tax and deferred tax) / income	(804)	(1,794)	(9,052)	(3,176)	3,788
- Additional tax for prior years/periods	-	-	(25,709)	(25,709)	-
- Reversal of tax	-	-	-	-	10,490
Total tax (expense) / income	**(804)**	**(1,794)**	**(34,761)**	**(28,885)**	**14,278**
PAT	**27,377**	**34,382**	**32,828**	**8,630**	**49,485**
PAT attributable to:					
- Owners of our Company	27,436	35,220	36,228	9,384	50,742
- Non-controlling interests	(59)	(838)	(3,400)	(754)	(1,257)

Other selected financial data:

	FYE 31 March			FPE 30 September	
	2019	**2020**	**2021**	**2020**	**2021**
% change in revenue[(1)]	-	70.0	61.8	-	9.7
Gross profit margin (%)[(2)]	30.5	26.4	28.7	28.6	25.5
Depreciation and amortisation (RM'000)[(3)]	8,291	13,943	21,414	8,591	13,935
EBITDA (RM'000)[(4)]	40,755	56,554	98,759	50,014	54,397
EBITDA margin (%)[(5)]	22.9	18.7	20.1	21.3	21.2
PBT margin (%)[(6)]	15.8	11.9	13.8	16.0	13.7
PAT margin (%)[(7)]	15.4	11.3	6.7	3.7	19.2
Basic EPS (sen)[(8)]	2.6	2.2	2.2	0.6	3.1
Diluted EPS (sen)[(9)]	2.6	2.1	2.2	0.6	3.1

Notes:

(1) This reflects the percentage change in revenue compared to the prior financial year/period.

(2) Computed based on gross profit divided by revenue.

(3) Comprises depreciation of property, plant and equipment, depreciation of right-of-use assets and amortisation of intangible assets.

(4) EBITDA is calculated as profit before tax plus net finance costs and depreciation and amortisation. See below for details of computation as well as information regarding the use of non-MFRS measures.

(5) Computed based on EBITDA divided by revenue.

(6) Computed based on PBT divided by revenue.

(7) Computed based on PAT divided by revenue.

(8) Computed based on profit for the year attributable to owners of our Company divided by the weighted average number of ordinary shares in each of the respective financial year/period, after adjusting the effect of Bonus Issue on 27 December 2021.

(9) Computed based on profit for the year attributable to owners (diluted) of our Company divided by the weighted average number of ordinary shares (diluted) in each of the respective financial year/period, after adjusting the effects of the Bonus Issue on 27 December 2021.

EBITDA and EBITDA margin are supplemental measures of our performance and liquidity that are not required by or presented in accordance with the MFRS or IFRS. EBITDA and EBITDA margin are not measures of our financial performance or liquidity under the MFRS or IFRS and should not be considered as alternatives to net income or any other performance measures derived in accordance with the MFRS or IFRS or as alternatives to cash flows from operating activities or as a measure of liquidity. In addition, EBITDA and EBITDA margin are not standardised terms, and hence, a direct comparison of similarly titled measures between companies may not be possible. Other companies may calculate EBITDA and EBITDA margin differently from us, limiting is usefulness as a comparative measure.

The table below reconciles our PBT to EBITDA for the financial years/periods indicated:

	FYE 31 March			FPE 30 September	
	2019	2020	2021	2020	2021
	RM'000	RM'000	RM'000	RM'000	RM'000
PBT	28,181	36,176	67,589	37,515	35,207
Add:					
Net finance cost	4,283	6,435	9,756	3,908	5,255
Depreciation of property, plant and equipment	7,365	12,813	19,974	8,016	13,043
Depreciation of right-of-use assets	926	1,130	1,237	573	774
Amortisation of intangible assets	-	-	203	2	118
EBITDA	**40,755**	**56,554**	**98,759**	**50,014**	**54,397**

As stated in Section 12.2.2(xi) of this Prospectus, we have benefited from several tax incentives granted by the Malaysian authorities, including the Agricultural Tax Incentive (as defined below). Due to the Tax Issue (as defined below), we have recognised an additional tax payable and penalty of RM25,708,582 ("**Additional Tax Liability**") as a tax expense for FYE 31 March 2021, in respect of the three non-approved locations (being our Larkin Facility). See Section 12.2.2(xi) of this Prospectus for more details on the Tax Issue.

For illustration purposes only, assuming the Additional Tax Liability of RM25,708,582 and the Larkin Facility Tax Incentive (as defined below) of RM10,490,033 is allocated to the respective financial year/periods, our adjusted consolidated PAT and PAT margin for the financial years/periods indicated would be as follows:

	FYE 31 March			FPE 30 September	
	2019	2020	2021	2020	2021
Consolidated PAT (RM'000)	27,377	34,382	32,828	8,630	49,485
Reallocation of Additional Tax Liability (RM'000)[(1)]	(5,139)	(5,870)	25,709	25,709	-
Reallocation of tax reversal (RM'000)[(2)]	-	-	10,490	5,973	(10,490)
Adjusted PAT (RM'000)	**22,238**	**28,512**	**69,027**	**40,312**	**38,995**
Adjusted PAT margin (%)	**12.5**	**9.4**	**14.1**	**17.2**	**15.2**

Notes:

(1) Relates to the reallocation of Additional Tax Liability to the respective financial years, for illustration purpose. Out of the Additional Tax Liability of RM25,708,582, RM5,870,334 relates to YA 2020; RM5,139,424 relates to YA 2019 and RM14,698,824 relates to YA 2014 to YA 2018.

(2) Relates to the reallocation of the Larkin Facility Tax Incentive amounting to RM10,490,033, which relates to YA 2021. For FPE 30 September 2020, the amount pertains to the tax exemption that would have been applicable for the first six months of YA 2021.

Selected consolidated statement of financial position data

	As at 31 March			As at 30 September
	Audited			Audited
	2019	2020	2021	2021
	RM'000	RM'000	RM'000	RM'000
Total non-current assets	198,661	284,364	416,673	445,904
Total current assets	75,809	128,672	205,585	243,727
Total assets	**274,470**	**413,036**	**622,258**	**689,631**
Share capital	87,780	87,780	87,780	87,780
Reserves	69,900	101,510	146,863	190,162
Non-controlling interests	6,131	8,475	6,387	4,900
Total equity	**163,811**	**197,765**	**241,030**	**282,842**
Total non-current liabilities	54,228	106,010	119,744	262,466
Total current liabilities	56,431	109,261	261,484	144,323
Total liabilities	**110,659**	**215,271**	**381,228**	**406,789**

	As at 31 March			As at 30 September
	2019	2020	2021	2021
Other selected financial data				
Total loans and borrowings (including lease liabilities) (RM'000)	64,477	153,714	248,957	284,176
Net debt (RM'000)(1)	60,990	146,235	237,233	224,548
Gearing ratio (times)(2)	0.39	0.78	1.03	1.00
Net gearing ratio (times)(3)	0.37	0.74	0.98	0.79

Notes:

(1) Computed based on total loans and borrowings (including lease liabilities) less cash and bank balances and deposits placed with licensed banks as at the end of the year/period.

(2) Computed based on total loans and borrowings (including lease liabilities) over total equity as at the end of the year/period.

(3) Computed based on total loans and borrowings (including lease liabilities), net of cash and cash equivalents, over total equity as at the end of the year/period.

12.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the Accountants' Report included in Section 13 of this Prospectus.

12.2.1 Overview

We are a fast-growing, vertically integrated dairy group engaged in the business of farming, manufacturing and distributing various dairy products and plant-based products. As at the LPD, we operate five dairy farms in Malaysia and one dairy farm in Australia, across an aggregate of about 5,400 acres of land, with a total herd size of around 9,960 dairy cows and bulls.

We also own and operate two processing facilities in Malaysia, with the capacity to produce around 137.0 million litres of finished goods annually, and one processing facility in Australia, with the capacity to produce around 84.0 million litres of processed milk annually.

We have a diverse product portfolio, with 135 SKUs as at the LPD, spanning multiple product segments such as chilled RTD milk products, UHT/ambient RTD products, plant-based products, yoghurt products, and fruit jam and sauces. We distribute our products across our multi-channel distribution network.

See Section 7 of this Prospectus for further information on our business.

From FYE 31 March 2019 to FYE 31 March 2021, our revenue increased by a CAGR of 65.9% from RM178.2 million to RM490.5 million, our EBITDA increased by a CAGR of 55.6% from RM40.8 million to RM98.8 million, our gross profit increased by a CAGR of 60.9% from RM54.4 million to RM140.9 million and our PAT attributable to owners of the Company increased by a CAGR of 14.9% from RM27.4 million to RM36.2 million.

From FPE 30 September 2020 to FPE 30 September 2021, our revenue increased by a CAGR of 9.7% from RM234.4 million to RM257.2 million, our EBITDA increased by a CAGR of 8.8% from RM50.0 million to RM54.4 million, our gross profit decreased by a 2.4% from RM67.1 million to RM65.5 million and our PAT attributable to owners of the Company increased by a CAGR of 439.4% from RM9.4 million to RM50.7 million.

12.2.2 Significant factors affecting our financial condition and results of operations

Our financial condition and results of operations have been and are expected to be, affected by a number of factors, including those set out below:

(i) Demand for our products

Our revenues and profitability depend on demand for our products. Demand for dairy products in general, including our products, is heavily influenced by several factors including consumer preferences, macroeconomic conditions and demographic factors.

Changes in consumer preferences affect demand for our products, and our results of operations depend on our ability to anticipate, identify, interpret and react to the evolving preferences, dietary habits and nutritional needs of consumers and to offer products that appeal to them. Consumer trends constantly change, and consumer preferences may shift due to a variety of factors, including social trends, changes in market perception of brands, and the industry, negative publicity, consumer health concerns, specific product attributes or ingredients. Malaysians are placing a greater importance on fresh and natural food products, and plant-based RTD milk has also gained increasing popularity to accommodate vegan and lactose intolerant consumers. We expect these trends to continue for the foreseeable future and expect that such shifts in consumer preferences and behaviour will continue to be a significant factor affecting our results of operations.

Demand for our products may also be affected by macroeconomic factors and demographic factors, including factors relating to discretionary consumer spending, general levels of consumer confidence and seasonal factors such as festivities and holidays. Malaysia is our core market and as its population grows and levels of household disposable income per capita increases, we expect demand for food products, including dairy products, to increase as well. According to Frost & Sullivan, the growth of disposable income allows consumers to spend more on quality products, leading to the growth of the dairy industry. We expect macroeconomic and demographic factors to continue to drive general consumer demand for our products, with demand increasing as these factors improve and demand potentially decreasing if economic growth should slow or decline.

(ii) **Prices and availability of raw materials**

Our results of operations may be affected by the availability and pricing of raw materials, including raw milk, packaging materials, animal feed and ingredients we use in the manufacture of our products. Our cost of raw materials accounted for 75.5%, 77.2%, 74.9% and 70.0% of our total cost of sales in FYE 31 March 2019, FYE 31 March 2020, FYE 31 March 2021 and FPE 30 September 2021, respectively.

Raw milk constituted the largest component of the raw materials that we require for the production of our products, accounting for 51.4%, 50.9%, 48.5% and 44.7% of our total cost of raw materials in FYE 31 March 2019, FYE 31 March 2020, FYE 31 March 2021 and FPE 30 September 2021, respectively. Although we use internally-sourced raw milk for our operations, we also purchase a majority of the raw milk we require for our operations from third parties in Australia and Malaysia. In Malaysia, we purchase raw milk from local farmers as part of our work with local communities and partner-farmers to promote the sustainable growth of the dairy industry at the grassroots level. See Section 7.15.2 of this Prospectus for more details. For FYE 31 March 2019, FYE 31 March 2020, FYE 31 March 2021 and FPE 30 September 2021, 73.7%, 82.1%, 87.4% and 85.7%, respectively, of our raw milk was sourced from external parties. See Section 7.10 of this Prospectus for more details.

Packaging materials constituted the second largest component of the raw materials we require for the production of our products, accounting for 23.4%, 22.0%, 23.6% and 24.2% of our total cost of raw materials in FYE 31 March 2019, FYE 31 March 2020, FYE 31 March 2021 and FPE 30 September 2021, respectively. Since FYE 31 March 2020, Tetra Pak has been our key supplier of production equipment and product packaging materials. See Section 7.8.2 of this Prospectus for more details.

Any increase in the prices of our raw materials or change in the availability of raw materials may increase our operating costs and have a significant impact on our cost or sales and profit margins. Also, see Section 5.1.11 of this Prospectus.

The prices and availability of raw materials may be affected by a number of factors including global price fluctuations in raw materials, global freight or shipping issues such as delays, weather conditions, global and regional economic conditions (such as the COVID-19 pandemic) and negotiations with our suppliers. Our feed costs may be affected as a result of global price fluctuations of certain commodities such as alfalfa and maize. For example, prolonged drought-like conditions in Australia from 2018 to mid-2020 led to significantly higher feed costs in the market. Consequently, our animal feed and herd health cost increased by 54.4% from RM17.1 million in FYE 31 March 2019 to RM26.4 million in FYE 31 March 2020, increased by 6.8% to RM28.2 million in FYE 31 March 2021 compared to FYE 31 March 2020 and increased by 17.1% from RM14.0 million in FPE 30 September 2020 to RM16.4 million in FPE 30 September 2021. In addition, as we purchase some of our raw materials from international suppliers in Australia, Argentina, Brazil, USA, New Zealand and other Asian countries, global freight or shipping issues such as delays or interruptions to transportation processes may lead to delays and/or shortages in raw materials, and consequently, an increase in prices of raw materials and container tariffs. For example, we experienced an increase in carriage inwards cost, a part of our cost of sales, by 441.7% from RM1.2 million in FYE 31 March 2020 to RM6.5 million in FYE 31 March 2021 and by 226.3% from RM1.9 million in FPE 30 September 2020 to RM6.2 million in FPE 30 September 2021, due to an increase in shipping rates caused by the COVID-19 pandemic.

(iii) **Milk yield**

Our results are directly affected by our milk yield per cow. In general, as milk yield per cow improves, the amount of feed cost per litre of milk produced decreases. Milk yield is affected by a number of factors including a cow's stage of lactation, breed, genetics, feed and other factors.

We have taken a number of steps to increase our milk yield per milking cow. We have implemented farm management and animal husbandry practices across our farming operations. We ensure that our cows are given the right feed high in nutritional content to support the development of their immune system while optimising their milk yield. We also follow a milking schedule and use imported milking systems which are highly automated.

We house our cows in purpose-built barns with easy access to food and water, and have built certain features such as insulated roofing, industrial fans and tunnel-ventilated barns to manage heat stress and to keep our cows comfortable. We strongly believe that our ownership of the AFS and the Jersey-Friesian crossbreeds and notable farm management and animal husbandry practices have benefitted us greatly through industry leading milk yields. See Section 7.5 of this Prospectus further details on our farm management and husbandry practices.

In addition, milk yield is directly affected by a cow's lactation cycle. A cow typically has between three to four lactation cycles with its milk yield increasing each lactation cycle before reaching peak levels typically during the third lactation cycle. As at the LPD, approximately 75.9% of our milking cows were aged less than four years, 17.1% were aged four years or five years, and 7.0% were aged over five years. Our milking cows that are aged four years are typically in their third lactation and cows aged five years are typically in their fourth lactation cycle. We expect that our average milk yield will be positively affected in the next few years as a larger portion of our cows reach their third and fourth lactation cycles.

An increased milk yield per cow will result in more milk produced at our farms and reduce purchases of raw milk from third parties. Our average annual milk yield per milking cow increased from 22.8 litres in FYE 31 March 2019 to 23.3 litres in FYE 31 March 2020 but reduced to 20.7 litres in FYE 31 March 2021. The reduction in average annual milk yield in FYE 31 March 2021 was mainly due to the drought in Australia which took place from 2018 to mid-2020 that led to higher feed costs. This resulted in us adjusting the diet formulation of our cows in Australia in order to maximise our returns taking into consideration the income from milk and feed costs incurred. The adjusted diet formulation affected milk yield and consequently, our average annual milk yield in FYE 31 March 2021 decreased. Our average milk yield per milking cow also decreased from 20.9 litres in FPE 30 September 2020 to 19.9 litres in FPE 30 September 2021. The reduction in average milk yield per milking cow in FYE 30 September 2021 was mainly due to the increase in our feed costs as a result of global price fluctuations of alfalfa and maize. We sought to minimise the impact of this price increase by adjusting the diet formulation of our milking cows which led to a reduction in average milk yield.

(iv) **Size and expansion of our dairy herd**

Our results of operations have been significantly affected by the expansion of our dairy herd during FYE 31 March 2019, 2020 and 2021 and FPE 30 September 2020 and 2021. The table below sets out the total number and breakdown of the herd size on the dates indicated.

	Non-dairy herd	Dairy herd[(2)]			Total herd size
	Bulls[(1)]	Non-milking female cattle[(3)]	Milking cows	Dairy herd total	Dairy herd and non-dairy herd total
As of 31 March					
2019	768	3,993	2,435	6,428	7,196
2020	846	4,221	3,163	7,384	8,230
2021	1,144	4,551	3,371	7,922	9,066
As of 30 September					
2020	981	3,920	3,122	7,042	8,023
2021	1,248	4,200	3,730	7,930	9,178

Notes:

(1) Bulls consist of mature male cattle (more than 2 years old), and younger male cattle (heifers, yearlings, weaners, and calves).

(2) Our dairy herd does not include any male cattle.

(3) Non-milking female cattle comprises female heifers (above 21 months), yearlings (14-21 months), weaners (7-13 months), calves (0-6 months) and dry cows.

The herd size of our dairy farming business has been primarily affected by the following factors:

- **importation from overseas.** As part of our dairy business and operations, we import dairy cows from Australia for our Malaysian dairy farms. For FYE 31 March 2019, 2020 and 2021 and FPE 30 September 2021, we imported 686, 1,662, 1,196, and 368 dairy cows to expand our herd size, respectively;

- **new births of female calves.** Female calves born by our milking cows at our dairy farms increase our herd size. With our artificial insemination and utilisation of IVF technology, we aim not to only increase the reproduction success of our dairy herd by breeding a sufficient number of milking cows and increasing our herd size to support our operations, but to also breed and produce quality AFS-Holstein cows with superior milk yields; and

- **sale of reproduced heifers/calves.** Our dairy herd size could decrease because of the sale of dairy cows which have become non-milking cows due to an inability to get pregnant or the sale of dairy cows with very low milk yield.

During FYE 31 March 2019, FYE 31 March 2020, FYE 31 March 2021 and FPE 30 September 2021, the growth in our herd size has been primarily due to the purchase of additional heifers as we look to continue expanding our herd size. We expect the growth in our herd size to have a positive impact on our results of operations as these heifers become milking cows. As of 30 September 2021, around 17% of heifers and calves were aged less than one year and around 87% were aged over one year.

As the number of milking cows and consequently, our dairy herd, in our Malaysian farms, has increased from FYE 31 March 2019 to FYE 31 March 2021 and to FPE 30 September 2021, our annual milk output has increased. This in turn increased our sales of dairy products from FYE 31 March 2019 to FYE 31 March 2021, and from FPE 30 September 2020 to FPE 30 September 2021. However, there was a decrease in the number of milking cows in our Australia farms from FYE 31 March 2020 to FYE 31 March 2021 primarily due to the higher number of old cows being culled during the year and the adverse effects of the drought on milk yield. Consequently, milk output in Australia decreased in FYE 31 March 2021. The number of Australia milking cows also decreased from FPE 30 September 2020 to 30 September 2021 primarily due to the higher number of old cows being culled during the period. The table below sets out our total number of milking cows, annual raw milk output and total revenue from sales of raw milk and dairy products for the financial years/periods indicated.

	FYE 31 March				
	2019	**2020**	**2021**	**2020 vs. 2019**	**2021 vs 2020**
				% change	**% change**
Milking cows[1]	**2,227**	**2,799**	**3,009**	**25.7**	**7.5**
- Malaysia	1,226	1,503	1,767	22.6	17.6
- Australia	1,001	1,296	1,242	29.5	(4.2)
Annual raw milk output (million litres)	**18.5**	**23.8**	**22.7**	**28.6**	**(4.6)**
- Malaysia	6.8	7.9	8.9	16.2	12.7
- Australia	11.7	15.9	13.8	35.9	(13.2)
Revenue from sales of raw milk (RM million)	**15.8**	**22.6**	**23.7**	**43.0**	**4.9**
Revenue from sales of dairy products (RM million)	**161.3**	**270.5**	**423.8**	**67.7**	**56.7**

	FPE 30 September		
	2020	**2021**	**2021 vs 2020**
			% change
Milking cows[1]	2,957	3,314	12.1
- Malaysia	1,698	2,105	24.0
- Australia	1,259	1,209	(4.0)
Annual raw milk output (million litres)	11.3	12.1	7.1
- Malaysia	4.2	5.4	28.6
- Australia	7.1	6.7	(5.6)
Revenue from sales of raw milk (RM million)	10.9	13.8	26.6
Revenue from sales of dairy products (RM million)	204.4	218.9	7.1

Note:

(1) Milking cows represent the average number of milking cows over 12 months.

We are constructing a new 828 acre farm in Taiping, Perak with a capacity to house up to 3,100 dairy cows upon full completion. See Section 7.3.1 of this Prospectus for more details.

(v) **COVID-19 pandemic**

The COVID-19 pandemic has had and continues to have adverse repercussions across local, regional and global economies, financial markets, industries and businesses. To control the spread of COVID-19, the governments in Malaysia and Australia implemented and continue to implement countermeasures such as lockdowns, quarantines, travel restrictions and business shutdowns, resulting in sometimes significant slow-downs of business activities and operations.

Notwithstanding the COVID-19 pandemic, we continued operating our business and manufacturing facilities during the various lockdowns in Malaysia as our operations are considered an "essential service". We have implemented additional health and safety protocols at all our farms and manufacturing facilities to ensure strict compliance by our employees and visitors. See Section 7.19 of this Prospectus for more details.

The COVID-19 pandemic has resulted in a general increase in logistical and transportation costs and a corresponding increase in the price of imported raw materials and shipping rates. Our carriage inwards cost increased by 441.7% from RM1.2 million in FYE 31 March 2020 to RM6.5 million in FYE 31 March 2021, and increased by 226.3% from RM1.9 million in FPE 30 September 2020 to RM6.2 million in FPE 30 September 2021, contributing to the increased in our cost of sales for the same period. Carriage inwards costs constituted 1.4%, 0.7%, 2.5% and 4.6% of our total cost of raw materials for FYE 31 March 2019, FYE 31 March 2020, FYE 31 March 2021 and FPE 30 September 2021, respectively. We expect logistical and transportation costs to continue to increase, for as long as the COVID-19 pandemic continues to persist, which may cause our raw materials cost and cost of sales to increase. See Section 5.1.11 of this Prospectus for more details.

The various MCOs implemented by the Malaysian government have also impacted our sales through our various distribution channels. The sales under our HORECA channel decreased as hotels, restaurants and cafes were shut during the various lockdowns. However, we saw an increase in sales in our large format retailers and convenience stores due to higher consumption of our products within consumer homes and as modern trade outlets remained opened during the lockdowns.

We also saw an increase in revenue from sales under our stockists and home dealer network due to an increase in online sales through our website, which provides customers with the option of purchasing our products online from a home dealer or agent who then delivers and fulfils the customers' orders. See Section 12.2.2(vii) below for a breakdown of our revenue by distribution channel in Malaysia for FYE 31 March 2019, FYE 31 March 2020, FYE 31 March 2021, FPE 30 September 2020 and FPE 30 September 2021. Also, see Section 7.7.1 of this Prospectus for further details on our distribution channels.

In addition, in Australia, we received a one-off grant of RM2.5 million from the Australia government in FYE 31 March 2021 under the JobKeeper Payment scheme, which was introduced by the Australian government to support businesses affected by COVID-19. This contributed to an increase in our other income in FYE 31 March 2021. See Section 12.2.5(iii) of this Prospectus for more details.

A prolonged COVID-19 pandemic is likely to affect our results of operations in the mid to long-term. For example, the COVID-19 pandemic situation in Malaysia deteriorated after 31 March 2021, with a record number of 24,599 new daily cases recorded on 26 August 2021. The negative impact of the deteriorating COVID-19 pandemic on local economies and financial markets, coupled with political uncertainty in Malaysia, has led to a material adverse impact on economic activity in general and on consumer confidence and levels of household income in Malaysia. See Section 7.19 of this Prospectus for details. This has ultimately resulted in a decrease in consumer spending in general and could ultimately result in a change in consumer preferences for cheaper alternatives to fresh milk such as powdered milk products. Malaysia has taken significant countermeasures to combat the deteriorating COVID-19 pandemic situation in Malaysia, including prolonged lockdowns and closures of schools and businesses. The Malaysian Government announced the Third MCO Period with effect from 12 May 2021 to 7 June 2021, and following an increase in the number of new COVID-19 cases, the Full MCO Period with effect from 1 June 2021 to 14 June 2021. While certain schools were allowed to reopen from January 2021, schools were again closed nationwide from 1 June 2021 and only reopened in stages beginning 3 October 2021. Non-essential services in shopping malls in Malaysia were also ordered to close from 18 March 2020 to 12 May 2020, 13 January 2021 to 4 March 2021, 7 May to 7 Jun 2021, 1 June 2021 to 14 June 2021 and throughout Phase 1 of the National Recovery Plan period commencing from 15 June 2021. The resultant fall in footfall at shopping malls has impacted the sales of our products carried at supermarkets and convenience stores located in these shopping malls. In addition, while supermarket and convenient stores (including those located in shopping malls) have been allowed to operate throughout the MCO and National Recovery Plan period, the business operating hours are restricted to 8 a.m. to 8 p.m. during Phase 1 of the National Recovery Plan. These countermeasures have affected our sales and operations in Malaysia. For example, the sales of our stockists and home dealers network and their direct sales of milk products to schools in Malaysia has been and will continue to be affected for as long as schools in Malaysia are closed. We are also unable to carry out any of the agritourism activities at our UPM Farm for the promotion of fresh milk and our products to students and visitors in Malaysia.

Our surge in sales in FYE 31 March 2021 was mainly due to the panic buying and stocking up by consumers of food and beverage items in 2020. In particular, in the quarter post-implementation of the first MCO in Malaysia on 18 March 2020, there was also a surge in ambient category sales in Malaysia due to panic buying and stocking up of ambient or UHT products which has a longer useful or shelf life. In particular, the ambient category volume sales from April to June 2020 increased by 50.5% as compared to the same period in 2019.

This heightened sales level corrected itself in 2021 with our sales volumes in January to June 2021 for the liquid milk category decreasing by 5.1%. The decrease in sales volumes for the ambient category from April to June 2021 was more significant, as it decreased by 13% as compared to the corresponding period in 2020. Notwithstanding the decline in the overall market in the first nine months of 2021 as compared to the same period in 2020, our revenue and market share increased from FYE 31 March 2020 to 31 March 2021. Our market share for the RTD milk segment increased from 15% for 2020 to 18% for the first nine months of 2021, and our market share for the chilled RTD milk segment increased from 36% for 2020 to 42% for 2021. According to Frost & Sullivan, we are the second largest player in the RTD milk category in Malaysia for the first nine months of 2021.

We expect an improvement in the COVID-19 pandemic situation in Malaysia in the longer term to have a positive impact on our growth. In particular, Malaysia has introduced the National Recovery Plan as a roadmap to control the COVID-19 pandemic and enable progressive reopening of society. As at the LPD, all states and federal territories in Malaysia are in Phase 4 of the National Recovery Plan. The animal rearing sector has not been restricted to any workforce capacity restrictions throughout the National Recovery Plan.

We have seen a positive impact on our business as a result of the relaxation of the countermeasures in Malaysia. Revenue contribution from our HORECA segment increased from 15.0% in FPE 30 September 2020 and 14.8% in FYE 31 March 2021 to 16.0% in FPE 30 September 2021. The general return of crowds in shopping malls and retail outlets has also increased footfall at our large format retailers. Revenue contribution from our large format retailers modern trade increased from 44.2% in FPE 30 September 2020 and 44.1% in FYE 31 March 2021 to 46.5% in FPE 30 September 2021.

See Section 5.1.5 of this Prospectus for more details on the impact of the COVID-19 pandemic on our business, financial condition and results of operations.

(vi) **Product mix and average selling prices**

The sales volume of our products has been growing due to our ability to continuously innovate and diversify our product portfolio and flavours.

We have introduced localised flavours and new products into the Malaysian market, such as the Kurma RTD milk and the lactose-free RTD milk. Our Kurma RTD milk has proven to be one of our most successful products with total sales amounting to RM89.1 million in FYE 31 March 2021 and RM35.9 million in FPE 30 September 2021, accounting for 18.2% of our total sales in FYE 31 March 2021 and 14.0% of our total sales in FPE 30 September 2021. We have leveraged on the greater attention that we believe our customers are placing in maintaining a healthy lifestyle, and provided them with products made from fresh milk, creating a strong foothold in that segment. In June 2018, we also commenced the production and sale of fresh milk-based UHT milk products which generally carry a better margin than RTD chilled milk products. Sales of chilled RTD milk in Malaysia and Singapore accounted for 65.6%, 51.7%, 45.7% and 48.3% of our total dairy products sales for FYE 31 March 2019, 2020 and 2021 and FPE 30 September 2021, respectively. As our business continues to grow, we expect UHT/ambient products and yoghurt to contribute an increasingly larger portion of our total sale of dairy products. See Section 12.2.5(i) of this Prospectus for more details.

We constantly adjust and grow our product mix to cater to changing consumer tastes and preferences. For example, we recognise the growing demand in plant-based products and in 2020, we expanded our portfolio of plant-based products to include oat milk, almond milk and chocolate soy products. We believe that our revenues and margins will increase due to the ability to sell these products at a premium as we tap on the growing demand of plant-based products and increase the proportion of such plant-based products in our product portfolio.

Pricing of our products affects our results of operations. Our historical average selling prices are generated from dividing the revenue of each year by the sales volume in the same year. The following table sets out the average selling prices of our dairy products, plant-based products, and fruit jam and sauces to external customers for the financial years/periods indicated:

	FYE 31 March			FPE 30 September	
	2019	**2020**	**2021**	**2020**	**2021**
Malaysia					
Dairy products per litre (RM)	6.39	6.30	6.10	6.16	6.11
Plant-based products per litre (RM)	4.96	5.08	6.79	6.75	7.23
Australia					
Raw milk per litre (AUD)[(1)]	0.45	0.50	0.58	0.61	0.62
Fruit jam and sauces per kg (AUD)[(2)]	-	4.50	4.74	4.88	4.36
Singapore					
Dairy products per litre (SGD)	2.00	2.00	1.82	1.85	1.75
Plant-based products per litre (SGD)[(3)]	-	-	3.62	-	1.66

Notes:

(1) We have ceased the sale of raw milk we produce to third parties since end September 2021 (save for instances where we have raw milk in excess of our processed milk requirements).

(2) We started selling fruit jam and sauces in December 2019 but due to the rationalisation plan to downsize IXL fruit jam operations, we expect sales of fruit jams to reduce over time.

(3) We started selling plant-based products in Singapore in October 2020.

When determining the selling prices for our products, we consider a number of factors including general market conditions, our costs, the prices of our competitors, the expected margins (including margins of our distributors). We have increased the prices of our chilled RTD milk products by an average of 5% effective 1 September 2021.

The average selling prices of our dairy products in Singapore and Malaysia have generally decreased from FYE 31 March 2019 to FYE 31 March 2021, and from FPE 30 September 2020 to FPE 30 September 2021, largely due to the increasing sales mix of lower priced products such as full cream fresh milk, chocolate milk and private label products. We have increased the price of our chilled RTD dairy products by an average of 5% in September 2021 which has resulted in a slight increase in average selling prices of dairy products in Malaysia from FYE 31 March 2021 to FPE 30 September 2021. We expect the average selling prices of our dairy products to further increase following a price increase for our UHT/ambient products by an average of 5% which we have implemented in December 2021.

Any price increases that we do implement may increase our overall revenues and margins but could also result in decreased demand and an erosion of our market share.

(vii) **Products sales channel and distribution**

We rely on our distribution network to sell our dairy products, plant-based products, fruit jam and sauces through a multi-channel distribution model which allows us to reach end consumers. The effectiveness and geographic reach of our distribution directly impact our sales. We operate through a multi-channel distribution model that is structured to facilitate the sales of different products to address different customer markets, and our distribution model comprises large format retailers, stockists and home dealers, HORECA, export markets and convenience stores. To further promote our products across the nation, we also promote our products to school students through the Farm2School Project and Rancangan Makanan Tambahan programmes.

The table below sets out the breakdown of our revenue by distribution channel in Malaysia for the financial years/periods indicated:

	FYE 31 March			FPE 30 September	
	2019	**2020**	**2021**	**2020**	**2021**
Revenue by distribution channel – Malaysia	%	%	%	%	%
Large format retailers	59.2	44.7	44.1	44.2	46.5
Stockist / Dealers	19.2	29.6	34.5	33.7	30.5
HORECA market	16.9	19.2	14.8	15.0	16.0
Export markets(1)	4.2	3.5	3.8	4.3	4.2
Convenience stores	0.5	3.0	2.8	2.8	2.8

Note:

(1) Includes revenue from Singapore and Brunei.

In Australia, for our fruit jam and sauces business which we acquired in FYE 31 March 2020, our distribution channels comprise large format retailers, HORECA and exports markets. The table below sets out the breakdown of our revenue by distribution channel in Australia for the years/periods indicated:

	FYE 31 March			FPE 30 September	
	2019	**2020**	**2020**	**2020**	**2021**
Revenue by distribution channel – Australia (Fruit jam & sauces)	%	%	%	%	%
Large format retailers	-	66.2	53.3	54.5	63.2
HORECA market	-	17.1	25.9	26.0	23.6
Export markets(1)	-	16.8	20.8	19.5	13.2

Note:

(1) Primarily includes revenue from Malaysia, Singapore and Hong Kong.

All of the raw milk we produced in Australia in FYE 31 March 2019, FYE 31 March 2020, FYE 31 March 2021 and FPE 30 September 2021 were sold to industrial dairy companies. We have stopped selling raw milk we produce to third parties since end September 2021 (save for instances where we have raw milk in excess of our processed milk requirements).

We plan on expanding our distribution network, in particular, our stockists and home dealer network to increase our reach and penetration, with a view of ultimately increasing sales. We also intend to expand into new markets within the Asia-Pacific region such as Hong Kong, Indonesia and the Philippines. See Section 7.3 of this Prospectus for more details on our future plans and strategies.

We may not be able to successfully execute these future plans and strategies, and the level of success we experience in implementing these strategies will affect our revenue growth and results of operations. For more details, see Section 5.1.14 of this Prospectus.

(viii) **Capacity and utilisation**

Our production volumes and results of operations are affected by the capacity and utilisation of our processing facilities for the production of finished products and processing of raw milk. As at the LPD, we own and operate two processing facilities in Malaysia and one processing facility in Australia with the capacity to produce around 137.0 million litres of finished goods and 84.0 million litres of processed milk annually, respectively. Any reduction in our production capacities and utilisation rates, whether due to scheduled maintenance or unforeseen events, may impact our ability to meet customer demand and could potentially reduce our total sales. For example, our Muadzam Shah Farm has historically experienced disruptions to its electricity supply. See Section 5.1.6 of this Prospectus for more details.

The extent and rate of growth in our operations are also dependent on the levels of existing capacity and utilisation of our facilities at the relevant time. Headroom in capacity and utilisation levels may serve as an indication of growth potential and expansion in our operations to meet rising customer demand. We plan to expand our product capacity over the next three years. See Section 7.3.1 of this Prospectus for further details. We believe that any expansion in production capacity needs be managed carefully in tandem with the growth in demand for our products. If our expansion in production capacity outpaces the growth in demand, or demand for our products decrease, our results of operations and utilisation rates of our manufacturing facilities may be affected.

(ix) **Changes in fair value of biological assets**

Our results of operations have been, and we expect will continue to be, affected by changes in the fair value of our biological assets. For FYE 31 March 2019, 2020 and 2021 and FPE 30 September 2020 and 2021, our results of operations were positively affected by gains arising from changes in fair value less costs to sell of biological assets of RM2.9 million, RM1.4 million, RM4.3 million, RM1.1 million and RM10.2 million, respectively.

The fair value of our biological assets is dependent on whether there is an active market of our assets benchmarked against.

For our biological assets in Malaysia, as there is no active market for these biological assets, a cost approach is used under which fair value is referenced to expected cost of purchase of cows or goats by other farms in Malaysia and overseas, adjusted for differences in breed, weight and age group. Any changes in price per head of comparable breed and age group, taking into account foreign exchange rate movements if applicable, would be recognised as an increase or decrease in the fair value of biological assets.

For our biological assets in Australia, as there is a relatively more active and mature market for dairy herd in Australia, a market approach is used under which fair value is referenced to sales price of comparable dairy cows in close proximity, adjusted for differences in key attributes such as breed and age.

Any changes in price per head of comparable breed and age group, would be recognised as an increase or decrease in the fair value of biological assets.

We expect that our results of operations will continue to be affected by changes in the fair value of our cow herd. Please also see Note 5 of the Accountants' Report included in Section 13 of this Prospectus.

(x) **Regulatory environment in the countries where we operate**

Our business activities and results of operations are affected by the regulatory environment in the countries where we operate. In particular, we are significantly affected by government regulations applicable to the dairy industry and the food and beverage industry. These generally include:

- food hygiene and safety regulations and restrictions;
- halal certification regulations; and
- environmental laws and regulations, for example governing emissions and waste disposal.

See Annexure F of this Prospectus for further details on the laws and regulations that affect our business. Changes in regulations and government policies relating to our industry could significantly impact our sales and cost of sales.

(xi) **Taxes and tax incentives**

We have benefited from several tax incentives granted by the Malaysian authorities. For example, we were granted the Agricultural Tax Incentive by the MOA which allows us to claim a 100% tax exemption on statutory income arising from the rearing of cattle and goat, and milk processing activities on two specific locations in Kota Tinggi, Malaysia (the "**Agricultural Tax Incentive**"). We also enjoy a 100% income tax exemption under the East Coast Economic Region Incentive for income earned from dairy milk processing activities.

The table below sets out the tax incentives we benefit from:

Name of entity	Applicable Farm/ Facility	Year	Details of tax incentive	Business activity	Awarding Ministry/ Agency	Expiry
FFMSB	Larkin Facility	5 + 5 years commencing YA2021	100% income tax exemption for qualifying activities under Section 127(3A), Income Tax Act 1967	Production, marketing and sale of goat's and cow's milk	MOF	YA 2025, extendable to YA 2030
Farm Fresh	Muadzam Shah Facility	5 + 5 years commencing from the first year the Company generates profit (YA2020)	100% income tax exemption for qualifying activities under Special ECER Incentive Programme. This is subject to and upon the fulfilment of certain conditions and requirements as specified in the approval letter	Rearing of dairy cows and the production, marketing, sale of cow's milk and plant-based related products	MIDA	YA 2024, extendable to YA 2029
FFMSB	Mawai Farm Larkin Facility	10 years commencing from the first year the Company generates profit (YA2014)	100% income tax exemption for qualifying activities under Section 127, Income Tax Act 1967	Rearing of dairy goats and cows and the production, marketing and sale of goat's and cow's milk	MOA (presently known as MAFI)	YA 2023

These incentives have led to us incurring effective tax rates in Malaysia of 5.1% in FYE 31 March 2019, 5.8% in FYE 31 March 2020 and 8.5% (excluding impact of the tax reversal of RM10,490,033) in FPE 30 September 2021, respectively, which were lower than the Malaysian statutory tax rate of 24.0% for each of FYE 31 March 2019, FYE 31 March 2020 and FPE 30 September 2021.

Any adverse rulings from the relevant authorities, any adverse changes to the relevant laws and regulations and tax policies, or a revocation, modification or non-renewal of the tax incentives we currently enjoy may increase our effective tax rate and negatively impact our net profit margin and financial condition. See Section 5.1.8(i) of this Prospectus for more details.

Tax Issue

The Agricultural Tax Incentive is subject to certain conditions including the Expansion Notification Requirement, being a requirement that we provide prior notification to the MOA of any additional investment to expand the area in which we carry out our goat or cow farming and milk processing activities.

After we were granted the Agricultural Tax Incentive, we carried out certain milk processing activities temporarily at two rented locations before we established our Larkin Facility where we carried out milk processing activities. We believed that we had continuously updated the DVS under the MOA on the expansion of our business via the Larkin Facility, and the Larkin Facility was itself officiated by the Minister of MOA in March 2016.

However, when we voluntarily sought clarification on 5 October 2020 from the MOA on the tax exemption status of our Larkin facility, we were informed that we were in breach of the Expansion Notification Requirement.

As at the LPD:

- the MOF has informed us that the Agricultural Tax Incentive remains valid up till the expiry of the tax incentive period in YA 2023;

- based on a resolution with the IRB on 9 September 2021, we have recognised the Additional Tax Liability of RM25,708,582, in respect of our Larkin Facility, as a tax expense in the profit or loss for FYE 31 March 2021. Out of this Additional Tax Liability of RM25,708,582, (i) RM5,870,334 relates to YA 2020, (ii) RM5,139,424 relates to YA 2019, and (iii) RM14,698,824 relates to YA 2014 to YA 2018; and

- we have written to the MOF to seek its approval for our Larkin Facility to be included in the scope of the Agricultural Tax Incentive, in line with the Expansion Notification Requirement ("**Approval for Expansion Notification Requirement**"). The MOF has on 9 September 2021 approved our application to include our Larkin Facility in the scope of the Agricultural Tax Incentive starting from YA 2022 onwards. Accordingly, we have provided for a tax payable amount of RM10,490,033 for YA 2021 and have recognised this amount during FYE 31 March 2021.

- upon a subsequent application to the MOF, we have received approval on 24 December 2021 that the Larkin Facility is approved for a new Tax Incentive under Section 127 (3A) of Income Tax Act, 1967 ("**Larkin Facility Tax Incentive**"). Under the incentive, we are allowed to claim income tax exemption on the statutory income arising from qualifying projects conducted in the Larkin Facility for 10 (5+5) years commencing from YA 2021. Accordingly, we have reversed the tax payable amount of RM10,490,033 for YA 2021 previously recorded in the FYE 31 March 2021.

Largely as a result of the above, our tax expense increased by 1,833.3% from RM1.8 million in FYE 31 March 2020 to RM34.8 million in FYE 31 March 2021. Our effective tax rate also increased from 5.0% in FYE 31 March 2020 to 51.4% in FYE 31 March 2021. However, excluding the impact of the Additional Tax Liability of RM25,708,582, the effective tax rate for FYE 31 March 2021 is 13.4%, which takes into account the taxes for the milk processing facilities of our subsidiary for FYE 31 March 2021 only.

For illustration purposes only, assuming the Additional Tax Liability of RM25,708,582 and the Larkin Facility Tax Incentive of RM10,490,033 is allocated to the respective financial year/periods, our adjusted consolidated PAT and PAT margin for the financial years/periods indicated would be as follows:

	FYE 31 March			**FPE 30 September**	
	2019	**2020**	**2021**	**2020**	**2021**
Consolidated PAT (RM'000)	27,377	34,382	32,828	8,630	49,485
Reallocation of Additional Tax Liability (RM'000)[(1)]	(5,139)	(5,870)	25,709	25,709	-
Reallocation of tax reversal (RM'000)[(2)]	-	-	10,490	5,973	(10,490)
Adjusted PAT (RM'000)	**22,238**	**28,512**	**69,027**	**40,312**	**38,995**
Adjusted PAT margin (%)	**12.5**	**9.4**	**14.1**	**17.2**	**15.2**

Notes:

(1) Relates to the reallocation of Additional Tax Liability to the respective financial years, for illustration purpose. Out of the Additional Tax Liability of RM25,708,582, RM5,870,334 relates to YA 2020; RM5,139,424 relates to YA 2019 and RM14,698,824 relates to YA 2014 to YA 2018.

(2) Relates to the reallocation of the Larkin Facility Tax Incentive amounting to RM10,490,033, which relates to YA 2021. For FPE 30 September 2020, the amount pertains to the tax exemption that would have been applicable for the first six months of YA 2021.

See Section 5.1.8(i) of this Prospectus and Note 19.1. of the Accountants' Report included in Section 13 of this Prospectus for further details.

(xii) **Foreign currency fluctuations and translation of financial statement of foreign entities**

Fluctuations in foreign currencies may directly impact our business and results of operations as income and expenses of foreign operations, are translated to RM at exchange rates at the dates of the transactions. We are exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of our Group entities. The currencies giving rise to this risk are primarily USD, SGD, EUR, AUD and NZD.

The table below sets out the percentage exposure of our revenue denominated in the indicated foreign currencies as a proportion of our total revenue for the financial years/periods indicated:

	FYE 31 March					
	2019		2020		2021	
	RM'000	%	RM'000	%	RM'000	%
SGD	7,329	4.1	10,208	3.4	17,817	3.6
AUD	15,840	8.9	30,189	10.0	51,715	10.5

	FPE 30 September			
	2020		2021	
	RM'000	%	RM'000	%
SGD	9,386	4.0	9,858	3.8
AUD	26,181	11.2	29,537	11.5

The table below sets out the percentage exposure of our trade and other payables denominated in the indicated foreign currencies based on carrying amounts as at the end of the financial years/periods indicated:

	FYE 31 March					
	2019		2020		2021	
	RM'000	%	RM'000	%	RM'000	%
USD	472	1.3	777	1.6	564	0.7
SGD	-	-	55	0.1	35	0.1
EUR	1,041	2.9	1,260	2.5	301	0.4
AUD	923	2.6	1,627	3.3	1,059	1.3
NZD	-	-	-	-	1,285	1.5

	FPE 30 September			
	2020		2021	
	RM'000	%	RM'000	%
USD	659	1.0	289	0.4
SGD	38	0.1	47	0.1
EUR	585	0.9	162	0.2
AUD	-	-	1,043	1.3
NZD	-	-	-	-

See Section 12.2.15(i) below and Note 23.6 of the Accountants' Report included in Section 13 of this Prospectus for the sensitivity of our PAT to a 10% strengthening of the RM against the above currencies, with all other variables assumed to be constant.

12.2.3 Critical accounting estimates and judgements

The preparation of our financial statements in accordance with Malaysian Financial Reporting Standards ("**MFRSs**") requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. We review on an ongoing basis our estimates and underlying assumptions. We recognise revisions to accounting estimates in the period in which the estimates are revised and in any future periods affected. However, actual results may differ from these estimates. Uncertainty about these estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of an asset or liability affected in the future.

Right-of-use assets

We assess at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. We consider all facts and circumstances including our past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help us determine the lease term.

We also applied judgement and assumptions in determining the incremental borrowing rate of the respective lease. We first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

See Note 4 to the Accountants' Report included in Section 13 of this Prospectus for further information on our right-of-use assets.

Biological assets

The fair value of semen and embryos cannot be measured reliably as there is no active market and transaction data available. The semen and embryos were bought for our own use to improve the genetic quality of our dairy herd and transferred to dairy cows based on the consumption.

There is no amortisation for the semen and embryos as there is no expiration date on frozen semen and embryos as these are properly stored.

Our Directors monitor the key factors in determining the fair value such as comparable sales price and foreign exchange rate affecting import price as part of their financial risk management on biological assets.

See Note 5 to the Accountants' Report included in Section 13 of this Prospectus for further information on our biological assets.

Intangible assets

We recognise the amortisation of our intangible assets as administrative expenses in the consolidated statement of profit or loss and other comprehensive income

Water-use license

Water-use license is an entitlement to irrigate a specific parcel or parcels of land. The useful lives of the water-use license are estimated to be indefinite as the water-use license is always attached to the owner of the land.

The recoverable amount of water-use license was determined based on the fair value less to costs of disposal. The fair value of water-use license is based on market comparison technique within Level 2. The valuation model is based on market transaction prices published on the relevant authority website. For the purpose of impairment testing, the management has compared the carrying amount against the transaction price published on the relevant authority website as at the financial year end.

Based on management assessment, no impairment is required as the recoverable amount was higher than carrying amount.

Goodwill

For the purpose of impairment testing, goodwill is allocated to our operating divisions which represent the lowest level within our Group at which the intangible asset is monitored for internal management purpose.

The aggregate carrying amount of goodwill allocated to our Kyabram Facility and fruit jam and sauces division is RM4.2 million, RM5.0 million and RM4.7 million for FYE 31 March 2020, FYE 31 March 2021 and FPE 30 September 2021, respectively.

The recoverable amount of a Cash Generating Unit ("**CGU**") is determined based on value in use calculations. These calculations used cash flow projections based on financial budgets approved by our management for periods covering a five-year period. Our management has considered and determined the factors applied in the financial budgets which include budgeted gross margins, pre-tax discount rates and estimated growth rates. The budgeted gross margins are based on past performance and the average growth rates and discount rates used are based on our management's best estimate.

The key assumptions used in the value is use calculations are as follows:

- Cash flows were projected based on a 5-year business plan.
- Gross margins are projected based on the historical profit margin achieved or predetermined profit margin for the products.
- A pre-tax discount rate of 8% has been applied in determining the recoverable amount of the CGUs. The discount rate was estimated based on weighted average cost of capital of the Australian food and beverage industry.
- The subsidiary will continue its operation indefinitely.

Based on management assessment, no impairment is required as the recoverable amount was higher than the carrying amount.

Deferred tax assets/(liabilities)

<u>Recognised deferred tax assets/(liabilities)</u>

We have been granted approval of the East Coast Economic Region Incentive ("**ECER Incentive**") under Income Tax Act, 1967 for milk and cheese processing projects at our Muadzam Shah facility. Under the ECER Incentive, we are allowed to claim income tax exemption on our statutory income arising from qualifying projects for 10 (5+5) years commencing from the first year we derive statutory income, i.e. YA 2020. The ECER Incentive is subject to and upon fulfilment of the necessary conditions and requirements as specified in the approval letter. Losses incurred before the exemption period and during the exemption period are allowed to be carried forward for utilisation during the post exemption period.

In addition, our subsidiary, FFMSB, has been granted the Agricultural Tax Incentive. Under the incentive, the subsidiary is allowed to claim a 100% income tax exemption on statutory income arising from qualifying projects for 10 years commencing from the first year the subsidiary derives statutory income, i.e. from YA 2014. Losses incurred before the exemption period and during the exemption period are allowed to be carried forward for utilisation during the post exemption period.

Further, upon a subsequent application to the MOF, FFMSB has received approval on 24 December 2021 that the Larkin Facility is approved for a new Tax Incentive under Section 127 (3A) of Income Tax Act, 1967. Under the incentive, FFMSB is allowed to claim income tax exemption on the statutory income arising from qualifying projects conducted in the Larkin Facility for 10 (5+5) years commencing from YA 2021.

Accordingly, our deferred tax liabilities are recognised in the consolidated financial statements to the extent that they are expected to be reversed/utilised after the 10 yearsexemption period.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of certain items in certain subsidiaries because it is not probable that future taxable profit will be available against which we can utilise the benefits therefrom.

An amendment is made in the Finance Act 2021 that unutilised tax losses carry forwards up to the year of assessment 2018 be deductible against aggregate statutory income until the year of assessment 2028. Any unutilised tax losses for the year of assessment 2019 onwards can be carried forward for a maximum of 10 consecutive year of assessment.

The unabsorbed capital allowances do not expire under the current tax legislation.

For more information on our deferred tax assets/(liabilities), see Note 8 to the Accountants' Report included in Section 13 of this Prospectus.

Tax expense

As disclosed in Section 12.2.2(xi) of this Prospectus, in connection with the Tax Issue, an amount of RM25,708,582 of tax liability has been determined to be payable in respect of the non-approved locations from YA 2014 to YA 2020 and RM10,490,033 for YA 2021. These amounts have been recognised during FYE 31 March 2021. Out of the Additional Tax Liability of RM25,708,582, RM5,870,334 relates to YA 2020, RM5,139,424 relates to YA 2019, and the remaining amount of RM14,698,824 relates to YA 2014 to YA 2018.

For a breakdown of our tax expenses for FYE 31 March 2019, 31 March 2020, 31 March 2021 and FPE 30 September 2021, see Note 19 to the Accountants' Report included in Section 13 of this Prospectus.

Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Our exposure to credit risk arises principally from our receivables from customers. There are no significant changes as compared to the prior period.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount. At each reporting date, we assess whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when we determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to the prior period.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, there was no significant concentrations of credit risk and maximum exposure to credit risk arising from trade receivables, amounts due from subsidiaries are represented by the carrying amounts in the consolidated statement of financial position.

Recognition and measurement of impairment loss

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with us. We use ageing analysis to monitor the credit quality of the receivables. We grant credit period ranging from 7 – 75 days from invoice date or month-end date.

Hence, any receivables having significant balances past due more than 90 days, shall be considered as credit impaired and monitored individually.

We use an allowance matrix to measure expected credit losses ("**ECLs**") of trade receivables. Consistent with the debt recovery process, invoices which are past due 90 days will be considered as credit impaired.

Loss rates are calculated using a "roll rate" method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

Loss rates are based on actual credit loss experience over the past three years. We also consider differences between (i) economic conditions during the period over which the historic data has been collected, (ii) current conditions and (iii) our view of economic conditions over the expected lives of the receivables. Nevertheless, we believe that these factors are immaterial for the purpose of impairment calculation for the year.

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the consolidated statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, we are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

We monitor the exposure to credit risk on individual basis.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the consolidated statement of financial position. There is no history of default on other receivables and there is no indicator these other receivables may default.

We also consider differences between (i) economic conditions during the period over which the historic data has been collected, (ii) current conditions and (iii) our view of economic conditions over the expected lives of the receivables. Nevertheless, we are of the view that the loss allowance is not material and hence, it is not provided for.

Net investment in a lease

Risk management objectives, policies and processes for managing the risk

We manage credit risk on net investment in a lease together with our leasing arrangements. At the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the consolidated statement of financial position.

There is no history of default on the investment in lease and there is no indicator this lease may default. We also consider differences between (i) economic conditions during the period over which the historic data has been collected, (ii) current conditions and (iii) our view of economic conditions over the expected lives of the receivables. Nevertheless, we are of the view that the loss allowance is not material and hence, it is not provided for.

For more information, see Note 23.4 to the Accountants' Report included in Section 13 of this Prospectus.

12.2.4 New accounting pronouncement applicable in the preparation of the financial statements

FYE 31 March 2019

We adopted the following new standards and amendments to standards and interpretations in FYE 31 March 2019:

- MFRS 9, Financial Instruments (2014);
- MFRS 15, Revenue from Contracts with Customers;
- Clarifications to MFRS 15, Revenue from Contracts with Customers;
- IC Interpretation 22, Foreign Currency Transactions and Advance Consideration;
- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle);
- Amendments to MFRS 2, Share-based Payment – Classification and Measurement of Share-based Payment Transactions;
- Amendments to MFRS 4, Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts;
- Amendments to MFRS 128, Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle); and
- Amendments to MFRS 140, Investment Property – Transfers of Investment Property.

The adoption of these standards, interpretations and amendments did not have any impact on FYE 31 March 2019 except for MFRS 15, Revenue from Contracts with Customers.

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue – Barter Transactions Involving Advertising Services*.

We applied the requirements of the MFRS 15, *Revenue from Contracts with Customers* retrospectively with practical expedients and transitional exemptions as allowed by the standards. There is no financial impact to our Group except for reclassification of certain advertising and promotional expenses to offset against the revenue.

FYE 31 March 2020

We adopted the following new standards and amendments to standards and interpretations in FYE 31 March 2020:

- MFRS 16, *Leases*;
- IC Interpretation 23, Uncertainty over Income Tax Treatments;
- Amendments to MFRS 3, Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle);

- Amendments to MFRS 9, Financial Instruments – Prepayment Features with Negative Compensation;

- Amendments to MFRS 11, Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle);

- Amendments to MFRS 112, Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle);

- Amendments to MFRS 119, Employee Benefits – Plan Amendment, Curtailment or Settlement

- Amendments to MFRS 123, Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)

- Amendments to MFRS 128, Investments in Associates and Joint Ventures – *Long-term Interests in Associates and Joint Ventures*

The adoption of these standards, interpretations and amendments did not have any impact on FYE 31 March 2020 except for MFRS 16, *Lease.* MFRS 16 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases – Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease.*

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

We applied the requirements of the MFRS 16, Lease retrospectively.

FYE 31 March 2021

We adopted the following new standards and amendments to standards and interpretations in FYE 31 March 2021:

- Amendments to MFRS 3, Business Combinations – Definition of a Business;

- Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material; and

- Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement and MFRS 7, Financial Instruments: Disclosures – Interest Rate Benchmark Reform.

The adoption of these standards, interpretations and amendments did not have any impact on FYE 31 March 2021.

FPE 30 September 2021

We adopted the following new standards and amendments to standards and interpretations in FPE 30 September 2021:

- Amendment to MFRS 16, Leases – COVID-19-Related Rent Concessions

- Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement, MFRS 7, Financial Instruments: Disclosures, MFRS 4, Insurance Contracts and MFRS 16, Leases – Interest Rate Benchmark Reform – Phase 2

- Amendment to MFRS 16, Leases – COVID-19-Related Rent Concessions beyond 30 June 2021

The adoption of these standards, interpretations and amendments did not have any impact on FPE 30 September 2021.

We have not adopted in advance the following accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("**MASB**"), but are not yet effective for FYE 31 March 2022:

(i) Effective for annual periods beginning on or after 1 January 2022:

(a) Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018−2020)*;

(b) Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*;

(c) Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018−2020)*;

(d) Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018−2020)*;

(e) Amendments to MFRS 116, *Property, Plant and Equipment − Proceeds before Intended Use*;

(f) Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets − Onerous Contracts − Cost of Fulfilling a Contract*; and

(g) Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018−2020)*;

(ii) Effective for annual periods beginning on or after 1 January 2023:

(a) MFRS 17, Insurance Contracts;

(b) Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information;*

(c) Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*;

(d) Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*; and

(e) Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*;

(iii) Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*, effective for annual periods beginning on or after a date yet to be confirmed.

We plan to apply the abovementioned accounting standards, interpretations and amendments in the respective financial year when the above accounting standards, interpretations and amendments become effective, if applicable.

The application of the accounting standards, interpretations and amendments is expected to have no material financial impact on our consolidated financial statements for the current financial period and other prior years upon their first adoption.

See Note 1(a) of the Accountants' Report included in Section 13 of this Prospectus for a description of accounting standards issued by not yet effective and not early adopted.

12.2.5 Results of operations

The components of our results of operations are as follows:

(i) Revenue

We generate most of our revenue from the sale of dairy products to consumers through our distribution network in Malaysia. The dairy products we sell comprise several core product categories such as chilled RTD milk, UHT/ambient products and yoghurt products, which collectively contributed to 90.5%, 89.3% and 86.4% of our total revenue for FYE 31 March 2019, 2020 and 2021, respectively, and 87.2% and 85.1% of our total revenue for FPE 30 September 2020 and 2021, respectively. Revenue for dairy products (a) increased from RM161.3 million in FYE 31 March 2019 to RM423.7 million in FYE 31 March 2021, representing a CAGR of 62.1%, and (b) increased from RM204.4 million in FPE 30 September 2020 to RM218.9 million in FPE 30 September 2021, representing an increase of 7.1%.

Sales of chilled RTD milk in Malaysia, Singapore and Brunei accounted for 65.6%, 51.7%, 45.7%, 47.1% and 48.3% of our total dairy products sales for FYE 31 March 2019, 2020 and 2021 and FPE 30 September 2020 and 2021, respectively.

In addition, we sell other products such as plant-based products and fruit jams and sauces and generate revenue from other sources (such as the sale of raw milk to third parties). For FYE 31 March 2019, 2020 and 2021 and FPE 30 September 2020 and 2021, our aggregate revenue from the sale of plant-based products and fruit jams and sauces was RM1.1 million, RM9.5 million, RM39.9 million, RM17.9 million and RM20.9 million, respectively, accounting for 0.6%, 3.1%, 8.1%, 7.6% and 8.1%, respectively, of our total revenue for the financial years/periods indicated. Our revenue from the sale of raw milk in Australia was RM15.8 million, RM22.6 million, RM23.7 million, RM10.9 million and RM13.8 million for FYE 31 March 2019, 2020 and 2021 and FPE 30 September 2020 and 2021, respectively, accounting for 8.9%, 7.5%, 4.8%, 4.7% and 5.4% of our total revenue for the financial years/periods indicated.

Since end September 2021, we have ceased the sales of raw milk to third parties (save for instances where we have raw milk in excess of our processed milk requirements). From October 2021, raw milk produced from our Greater Shepparton Farm in Australia will primarily be supplied to our Kyabram Facility instead for processing and onward export to Malaysia for the production of our dairy products. While we expect the revenue from sales of raw milk to decrease from FYE 31 March 2021 to FYE 31 March 2022, we expect such decrease in revenue to be largely offset by (i) the decrease in our raw milk purchase cost, and (ii) an increase in revenue from sales of dairy products in Malaysia as the raw milk produced from our Greater Shepparton Farm, which was previously sold to third parties, will instead be used for the production of our dairy products in Malaysia.

The following tables set out the breakdown of our revenue by product categories and the percentage these revenues represent as a proportion of our total revenue for the financial years/periods indicated:

	FYE 31 March					
	2019		2020		2021	
	RM'000	%	RM'000	%	RM'000	%
Dairy products						
Chilled RTD milk	116,939	65.6	156,757	51.7	224,379	45.7
UHT/ambient products	12,680	7.1	73,887	24.4	150,760	30.7
Yoghurt products	31,693	17.8	39,871	13.2	48,623	10.0
	161,312	**90.5**	**270,515**	**89.3**	**423,762**	**86.4**
Plant-based products	1,075	0.6	1,949	0.6	11,889	2.4
Fruit jam and sauces	-	-	7,540	2.5	27,984	5.7
Raw milk	15,840	8.9	22,649	7.5	23,731	4.8
Others(1)	-	-	414	0.1	3,132	0.7
Total revenue	**178,227**	**100.0**	**303,067**	**100.0**	**490,498**	**100.0**

	FPE 30 September			
	2020		2021	
	RM'000	%	RM'000	%
Dairy products				
Chilled RTD milk	110,528	47.1	124,250	48.3
UHT/ambient products	69,475	29.7	71,519	27.8
Yoghurt products	24,427	10.4	23,083	9.0
	204,430	**87.2**	**218,852**	**85.1**
Plant-based products	2,694	1.1	5,114	2.0
Fruit jam and sauces	15,250	6.5	15,771	6.1
Raw milk	10,931	4.7	13,788	5.4
Others(1)	1,118	0.5	3,662	1.4
Total revenue	**234,423**	**100.0**	**257,187**	**100.0**

Note:

(1) Represents products including beef, kurma dates, and coconut milk.

In respect of the sale of dairy products, plant based-products, fruit jam and sauces and raw milk, we recognise revenue net of discounts, rebates, ullages, returns, other charges by modern trade outlets and applicable taxes when (or as) control of the product has been transferred to the customer and this is typically when the goods are delivered and accepted by the customer.

The following tables set out the breakdown of our revenue by geographical markets and the percentage these revenues represent as a proportion of our total revenue for the financial years/periods indicated:

	FYE 31 March					
	2019		2020		2021	
	RM'000	%	RM'000	%	RM'000	%
Malaysia	155,058	87.0	262,670	86.7	420,072	85.6
Australia	15,840	8.9	30,189	10.0	51,715	10.5
Singapore	7,329	4.1	10,208	3.3	17,817	3.7
Brunei	-	-	-	-	894	0.2
Total revenue	**178,227**	**100.0**	**303,067**	**100.0**	**490,498**	**100.0**

	FPE 30 September			
	2020		2021	
	RM'000	%	RM'000	%
Malaysia	198,856	84.8	217,453	84.6
Australia	26,181	11.2	29,537	11.5
Singapore	9,386	4.0	9,858	3.8
Brunei	-	-	339	0.1
Total revenue	**234,423**	**100.0**	**257,187**	**100.0**

(ii) Cost of sales

Our cost of sales consists primarily of the cost raw materials, direct labour and overheads, and trading costs.

The following table sets out the components of our cost of sales in absolute terms and as a proportion of our cost of sales for the financial years/periods indicated:

	FYE 31 March					
	2019		2020		2021	
	RM'000	%	RM'000	%	RM'000	%
Costs of raw materials	93,436	75.5	172,261	77.2	261,704	74.9
Direct labour and overheads	30,397	24.5	50,752	22.8	86,805	24.8
Trading cost(1)	-	-	-	-	1,103	0.3
Total cost of sales	**123,833**	**100.0**	**223,013**	**100.0**	**349,613**	**100.0**

	FPE 30 September			
	2020		2021	
	RM'000	%	RM'000	%
Costs of raw materials	131,733	78.7	134,269	70.0
Direct labour and overheads	35,608	21.3	55,224	28.8
Trading cost(1)	-	-	2,238	1.2
Total cost of sales	167,341	100.0	191,731	100.0

Note:

(1) Primarily comprises purchase cost of kurma dates and coconut milk.

Cost of raw materials

Our cost of raw materials consists mainly of milk, packaging materials, animal feed and herd health cost, product ingredients, carriage inwards and other items.

The table below sets out the components of our cost of raw materials in absolute terms and as a proportion of our cost of raw materials for the financial years/periods indicated:

	FYE 31 March					
	2019		2020		2021	
	RM'000	%	RM'000	%	RM'000	%
Milk	48,040	51.4	87,637	50.9	126,866	48.5
Packaging materials	21,813	23.4	37,867	22.0	61,767	23.6
Product ingredients	4,948	5.3	18,677	10.8	36,721	14.0
Animal feed and herd health cost	17,128	18.3	26,372	15.3	28,187	10.8
Carriage inwards	1,326	1.4	1,225	0.7	6,466	2.5
Others[(1)]	-	-	483	0.3	1,338	0.5
Provision for obsolescence	180	0.2	-	-	360	0.1
Total cost of raw materials	**93,436**	**100.0**	**172,261**	**100.0**	**261,704**	**100.0**

	FPE 30 September			
	2020		2021	
	RM'000	%	RM'000	%
Milk	71,814	54.5	60,025	44.7
Packaging materials	28,857	21.9	32,529	24.2
Product ingredients	14,289	10.9	18,427	13.7
Animal feed and herd health cost	13,990	10.6	16,378	12.2
Carriage inwards	1,945	1.5	6,191	4.6
Others[(1)]	838	0.6	511	0.4
Provision for obsolescence	-	-	208	0.2
Total cost of raw materials	**131,733**	**100.0**	**134,269**	**100.0**

Note:

(1) Primarily comprises purchase cost of beef.

Direct labour and overheads

Direct labour and overheads consists mainly of direct labour costs such as employees' salaries, wages and bonuses, and overheads which comprise depreciation of property, plant and equipment, amortisation of land use rights, utilities costs, rental expenses as well as repair and maintenance.

The table below sets out the components of our direct labour and overheads in absolute terms and as a proportion of our direct labour and overheads for the financial years/periods indicated:

	FYE 31 March					
	2019		2020		2021	
	RM'000	%	RM'000	%	RM'000	%
Overhead	14,056	46.2	20,628	40.6	37,373	43.1
Direct labour	9,629	31.7	17,852	35.2	29,859	34.4
Depreciation and amortisation	6,712	22.1	12,272	24.2	19,573	22.5
Total direct labour and overheads	**30,397**	**100.0**	**50,752**	**100.0**	**86,805**	**100.0**

	FPE 30 September			
	2020		2021	
	RM'000	%	RM'000	%
Overhead	14,083	39.6	23,665	42.9
Direct labour	13,860	38.9	18,590	33.7
Depreciation and amortisation	7,665	21.5	12,969	23.4
Total direct labour and overheads	**35,608**	**100.0**	**55,224**	**100.0**

(iii) **Other income**

Other income mainly comprises changes in fair value of biological asset less cost to sell, gains from disposal of property, plant and equipment, concession income, insurance claim, marketing support income, rental income, government grant income and other income. For the FYE 31 March 2019, 2020 and 2021 and FPE 30 September 2020 and 2021, we recorded gains arising from the fair value less cost to sell of our biological assets in the amount of RM2,942,515, RM1,359,529, RM4,409,944, RM1,065,934 and RM10,223,890 respectively. Costs to sell include incremental selling costs and estimated costs of transport but excludes finance costs and income taxes.

The table below sets out the components of our other income in absolute terms and as a proportion of our other income for the financial years/periods indicated:

	FYE 31 March					
	2019		2020		2021	
	RM'000	%	RM'000	%	RM'000	%
Changes in fair value of biological assets	2,943	62.3	1,360	49.2	4,410	48.9
Government grant income[(1)]	-	-	-	-	2,463	27.3
Rental income	50	1.0	215	7.8	1,035	11.5
Amortisation of deferred income[(2)]	251	5.3	270	9.8	267	3.0
Gains from disposal of property plant and equipment	83	1.8	545	19.7	250	2.8
Concession income[(3)]	-	-	-	-	225	2.5
Management fee income[(4)]	-	-	44	1.6	186	2.1
Foreign exchange	23	0.5	256	9.3	106	1.2
Insurance claim[(5)]	785	16.6	42	1.5	-	-
Marketing support income[(6)]	400	8.5	-	-	-	-
Compensation received	172[(7)]	3.6	-	-	-	-
Other miscellaneous income[(8)]	17	0.4	32	1.1	79	0.9
Total other income	**4,724**	**100.0**	**2,763**	**100.0**	**9,021**	**100.0**

	FPE 30 September			
	2020		2021	
	RM'000	%	RM'000	%
Changes in fair value of biological assets	1,066	31.2	10,224	87.6
Government grant income(1)	1,527	44.7	-	-
Rental income	413	12.1	839	7.2
Amortisation of deferred income(2)	131	3.8	135	1.2
Gains from disposal of property plant and equipment	-	-	50	0.4
Concession income(3)	-	-	110	1.0
Management fee income(4)	130	3.8	-	-
Foreign exchange	114	3.4	94	0.8
Insurance claim(5)	-	-	97	0.8
Reversal of impairment loss on trade and other receivables	-	-	89	0.8
Other miscellaneous income(8)	33	1.0	27	0.2
Total other income	3,414	100.0	11,665	100.0

Notes:

(1) *In FYE 31 March 2021, we received a one-off grant from the Australian government under the JobKeeper Payment scheme and Cash Flow Boost scheme introduced due to the COVID-19 pandemic.*

(2) *We were awarded an income grant from the Malaysian government in 2014 in respect of our Muadzam Shah Farm. This government grant income is recognised over the lease term of our Muadzam Shah Farm i.e. 33 years.*

(3) *This represents the income received as a result of the (i) waiver of rental payable to Ketua Pengarah Jabatan Perkhidmatan Veterinar at our Taiping Farm for nine months from April 2020 to December 2020 and 50% waiver of rental payable for nine months from January 2021 to September 2021. This waiver was granted to us by the DVS, and (ii) 50% waiver of rental payable to Malaysian Agricultural Research and Development institute (MARDI) at our Muadzam Shah Farm for nine months from January 2021 to September 2021.*

(4) *We entered into an agreement in relation to the contract manufacturing and packaging of various Fruit Preparation with Shepparton Partners Collective Operation Pty Ltd ("**SPC**"). Under the terms of our agreement with SPC, we are entitled to charge SPC a management fee for additional costs incurred that are not specified under the agreement. The agreement was terminated in FYE 31 March 2021.*

(5) *This represents the amounts which we successfully claimed from our insurance, mainly in connection with the fire that broke out in 2018 at our Muadzam Shah Farm and Greater Shepparton Farm and loss of truck due to theft and equipment breakdown at our Greater Shepparton Farm.*

(6) *Under our existing arrangements with Tetra Pak, Tetra Pak provides us with an annual marketing support in connection with the marketing of our UHT/ambient products that are manufactured using Tetra Pak-supplied packaging. Such amount was recognised under Other Income in FYE 31 March 2019 but subsequently offset against our marketing expense in FYE 31 March 2020 and FYE 31 March 2021.*

(7) *We received a one-off compensation for loss and damages of goods held in third party warehouse from Cold Chain Network (M) Sdn Bhd ("**CCN**") in connection with the fire incident which took place in 2015 at CCN's warehouse.*

(8) *Primarily comprises sales of scrap materials including wooden pallets, high-density polyethylene (HDPE) drums, carboys and metals.*

(iv) **Selling and distribution expenses**

Our selling and distribution expenses comprises transportation and logistics expenses, marketing and business development expenses and other items and is the largest contributor to our operating expenses.

The table below sets out the components of our selling and distribution expenses in absolute terms and as a proportion of our selling and distribution expenses for the financial years/periods indicated:

	FYE 31 March					
	2019		2020		2021	
	RM'000	%	RM'000	%	RM'000	%
Transportation and logistics expenses	9,579	82.7	15,399	77.8	24,519	65.3
Marketing and business development	943	8.2	2,919	14.8	11,310	30.2
Others(1)	1,056	9.1	1,465	7.4	1,693	4.5
Total selling and distribution expenses	**11,578**	**100.0**	**19,782**	**100.0**	**37,522**	**100.0**

	FPE 30 September			
	2020		2021	
	RM'000	%	RM'000	%
Transportation and logistics expenses	12,283	65.5	11,569	78.5
Marketing and business development	5,801	31.0	2,681	18.2
Others(1)	655	3.5	480	3.3
Total selling and distribution expenses	**18,739**	**100.0**	**14,730**	**100.0**

Note:

(1) Comprises primarily merchandiser fee and commission.

Transportation and logistics expenses

Our transportation and logistics expenses consist mainly of storage and handling expenses, transportation charges, upkeep of motor vehicles, fuel, road tax and insurance. Those expenses are broken down below into external costs, for which we outsource to transportation companies and internal costs, which consists of our own fleet of trucks.

The table below sets out the breakdown between internal and external transportation and logistics expenses in absolute terms and as a proportion of our transportation and logistics expenses for the financial years/periods indicated:

	FYE 31 March					
	2019		2020		2021	
	RM'000	%	RM'000	%	RM'000	%
External	8,489	88.6	13,398	87.0	21,726	88.6
Internal	1,090	11.4	2,001	13.0	2,793	11.4
Total transportation and logistics expenses	**9,579**	**100.0**	**15,399**	**100.0**	**24,519**	**100.0**

	FPE 30 September			
	2020		2021	
	RM'000	%	RM'000	%
External	10,852	88.3	10,416	90.0
Internal	1,431	11.7	1,153	10.0
Total transportation and logistics expenses	**12,283**	**100.0**	**11,569**	**100.0**

Marketing and business development

Our marketing and business development expenses mainly comprise advertising and promotion expenses, merchandising and marketing fee and research and development expenses.

The table below sets out the components of our marketing and business development expenses in absolute terms and as a proportion of our marketing and business development expenses for the financial years/periods indicated:

	FYE 31 March					
	2019		2020		2021	
	RM'000	%	RM'000	%	RM'000	%
Marketing and business development						
Advertising and promotion	943	100.0	2,737	93.8	8,435	74.6
Merchandising and marketing fee	-	-	137	4.7	1,553	13.7
Research and development	-	-	45	1.5	1,322	11.7
Total marketing and business development	**943**	**100.0**	**2,919**	**100.0**	**11,310**	**100.0**

	FPE 30 September			
	2020		2021	
	RM'000	%	RM'000	%
Marketing and business development				
Advertising and promotion	4,087	70.4	1,582	59.0
Merchandising and marketing fee	856	14.8	908	33.9
Research and development	858	14.8	191	7.1
Total marketing and business development	**5,801**	**100.0**	**2,681**	**100.0**

(v) **Administrative expenses**

Administrative expenses comprise employee benefits costs (including directors' remuneration), corporate services and professional fees, depreciation of items including our office equipment and motor vehicles, office expenses, and travelling expenses.

The table below sets out the components of our administrative expenses in absolute terms and as a proportion of our administrative expenses for the financial years/periods indicated:

	FYE 31 March					
	2019		2020		2021	
	RM'000	%	RM'000	%	RM'000	%
Employee benefit costs including Directors' remuneration	9,593	66.5	12,459	61.6	13,496	49.9
Corporate service and professional fee	1,807	12.5	3,982	19.7	8,546	31.6
Office expenses	961	6.7	1,453	7.2	2,740	10.1
Depreciation	1,383	9.6	1,503	7.4	1,783	6.6
Travelling expenses	679	4.7	834	4.1	496	1.8
Total administrative expenses	**14,423**	**100.0**	**20,230**	**100.0**	**27,060**	**100.0**

	FPE 30 September			
	2020		2021	
	RM'000	%	RM'000	%
Employee benefit costs including Directors' remuneration	6,239	60.6	8,796	56.0
Corporate service and professional fee	1,466	14.2	4,218	26.8
Office expenses	1,480	14.4	1,508	9.6
Depreciation	867	8.4	967	6.2
Travelling expenses	242	2.4	230	1.4
Total administrative expenses	**10,294**	**100.0**	**15,719**	**100.0**

(vi) **Other expenses**

Other expenses mainly comprises impairment losses on property, plant and equipment for certain plant machinery and equipment for the manufacture of our fruit jam and sauces in Australia, redundancy costs due to certain redundancies we made as part of the restructuring of our fruit jam and sauces operations in Australia, write-offs in property, plant and equipment, impairment loss on trade and other receivables, changes in fair value of biological assets and losses on foreign exchange.

The table below sets out the components of our other expenses in absolute terms and as a proportion of our other expenses for the financial years/periods indicated:

	FYE 31 March					
	2019		2020		2021	
	RM'000	%	RM'000	%	RM'000	%
Impairment loss on property, plant and equipment	-	-	-	-	4,212	52.8
Redundancy cost	-	-	-	-	3,099	38.8
Impairment loss on trade and other receivables	180	27.6	-	-	479	6.0
Foreign exchange	87	13.3	154	79.0	100	1.3
Changes in fair value of biological assets	-	-	-	-	89	1.1
Written off property, plant and equipment	386	59.1	41	21.0	-	-
Total other expenses	**653**	**100.0**	**195**	**100**	**7,980**	**100**

	FPE 30 September			
	2020		2021	
	RM'000	%	RM'000	%
Impairment loss on property, plant and equipment	-	-	80	1.3
Redundancy cost	-	-	4,930	79.4
Impairment loss on trade and other receivables	-	-	16	0.3
Foreign exchange	38	95.0	55	0.9
Loss from disposal of property plant and equipment	2	5.0	47	0.8
Reversal of government grant income	-	-	628	10.1
Other operating loss	-	-	454	7.2
Total other expenses	**40**	**100.0**	**6,210**	**100.0**

(vii) **Finance income**

Our finance income comprises interest income derived from net investment in lease where we collect income from leasing our trucks to certain distributors, fixed deposits placed financial institutions as well as interest earned from current account.

The table below sets out the components of our finance income in absolute terms and as a proportion of our finance income for the financial years/periods indicated:

	FYE 31 March					
	2019		2020		2021	
	RM'000	%	RM'000	%	RM'000	%
Finance income from:						
Current account	13.6	6.4	14.2	31.0	110.0	48.2
Fixed deposits with financial institutions	199.2	93.6	13.1	28.5	67.0	29.4
Net investment in lease	-	-	18.6	40.5	51.0	22.4
Total finance income	**212.8**	**100.0**	**45.9**	**100.0**	**228.0**	**100.0**

	FPE 30 September			
	2020		2021	
	RM'000	%	RM'000	%
Finance income from:				
Current account	50.0	35.3	92.1	23.3
Fixed deposits with financial institutions	67.0	47.3	209.6	53.0
Net investment in lease	24.6	17.4	33.2	8.4
Derivatives financial liabilities	-	-	60.2	15.3
Total finance income	**141.6**	**100.0**	**395.1**	**100.0**

(viii) **Finance costs**

Finance costs primarily comprise interest expenses incurred on our term loans, a shareholder loan, bankers' acceptances interest, revolving credit charges, trust receipts, hire purchase liabilities, lease liabilities, derivative financial liabilities, bank overdrafts and redeemable convertible preference share.

The table below sets out the components of our finance costs in absolute terms and as a proportion of our finance costs for the financial years/periods indicated:

	FYE 31 March					
	2019		2020		2021	
	RM'000	%	RM'000	%	RM'000	%
Finance costs due to:						
Term loans	2,499.3	55.6	2,361.7	36.4	3,235.2	32.4
Shareholder loan	-	-	1,000.0	15.4	3,012.6	30.2
Trade finance (bankers' acceptances interest, revolving credit charges, trust receipts)	363.1	8.1	1,319.5	20.4	1,651.6	16.5
Hire purchase liabilities	671.3	14.9	1,468.4	22.7	1,420.2	14.2
Derivatives financial liabilities	-	-	-	-	263.4	2.7
Lease liabilities	266.8	5.9	234.0	3.6	249.1	2.5
Bank overdrafts	36.5	0.8	97.1	1.5	152.2	1.5
Redeemable convertible preference shares	659.4	14.7	-	-	-	-
Total finance costs	**4,496.4**	**100.0**	**6,480.7**	**100.0**	**9,984.3**	**100.0**

	FPE 30 September			
	2020		2021	
	RM'000	%	RM'000	%
Finance costs due to:				
Sukuk	-	-	2,548.0	45.1
Term loans	826.9	20.4	800.8	14.1
Shareholder loan	1,432.9	35.4	551.5	9.8
Trade finance (bankers' acceptances interest, trust receipts)	1,012.5	25.0	699.1	12.4
Hire purchase liabilities	647.8	16.0	834.8	14.8
Lease liabilities	106.1	2.6	166.4	2.9
Bank overdrafts	23.8	0.6	49.5	0.9
Total finance costs	**4,050.0**	**100.0**	**5,650.1**	**100.0**

(ix) **Tax expense**

Tax expense comprises current and deferred tax. We calculate current tax at the statutory tax rate of the estimated assessable profit for the year in the prevailing jurisdiction.

Our deferred tax expense primarily relates to origination and reversal of temporary differences, which primarily arise from the property, plant and equipment.

Please also see Note 19 of the Accountants' Report included in Section 13 of this Prospectus.

The table below sets out the components of our tax expense in absolute terms and as a proportion of our tax expense for the financial years/periods indicated:

	FYE 31 March					
	2019		2020		2021	
	RM'000	%	RM'000	%	RM'000	%
Current tax expense	78.9	9.8	2.5	0.1	10,671.0	30.7
Deferred tax expense/income	725.2	90.2	1,791.4	99.9	(1,618.8)	(4.7)
Additional tax for prior years	-	-	-	-	25,708.6	74.0
Total tax charge for the year	**804.1**	**100.0**	**1,793.9**	**100.0**	**34,760.8**	**100.0**

	FPE 30 September			
	2020		2021	
	RM'000	%	RM'000	%
Current tax expense	3,822.9	13.2	859.2	(6.1)
Deferred tax income	(646.9)	(2.2)	(4,647.9)	32.6
Additional tax for prior years	25,708.6	89.0	-	-
Reversal of tax	-	-	(10,490.0)	73.5
Total tax charge for the year	**28,884.6**	**100.0**	**(14,278.7)**	**100.0**

Effective tax rates are derived by dividing total tax charge for the relevant year by PBT for that year. Our effective tax rate is mainly affected by, amongst other things, the statutory tax rate, non-deductive expenses and non-taxable income.

The table below sets out a comparison between our effective and statutory tax rates for the years/periods indicated.

	FYE 31 March			FPE 30 September	
	2019	2020	2021	2020	2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysia tax expense	1,475.9	2,200.3	37,515.2	31,034.6	(6,390.8)
Australia tax income	(671.8)	(406.4)	(2,754.4)	(2,150.0)	(7,887.9)
Group income tax expense / (income) recognised in consolidated statements of profit or loss and other comprehensive income	804.1	1,793.9	34,760.8	28,884.6	(14,278.7)
Malaysia tax rate (%)	24.0	24.0	24.0	24.0	24.0
Australia tax rate (%)	30.0	30.0	30.0	30.0	30.0
Malaysia effective tax rate (%)	5.1	5.8	42.5	76.0	(13.3)
Australia effective tax rate (%)	(65.1)	(21.7)	(13.4)	(64.8)	(59.2)
Group effective tax rate (%)	2.9	5.0	51.4	77.0	(40.6)

In FYE 31 March 2019, our effective tax rate was lower than the statutory tax rate due to the Agricultural Tax Incentive granted by the MOA to our subsidiary, FFMSB. Under the incentive, our subsidiary is allowed to claim 100% tax exemption on its statutory income derived from the rearing of cows/goats and cows/goats milk processing projects.

In FYE 31 March 2020, our effective tax rate was lower than the statutory tax rate mainly due to the income grant under the ECER which provides a 100% income tax exemption on income derived by our Company from dairy milk processing activities in respect of our Muadzam Shah Facility. We also continued to enjoy the Agricultural Tax Incentive granted by MOA in FYE 31 March 2020.

In FYE 31 March 2021, notwithstanding that we continued to enjoy the ECER and the Agricultural Tax Incentive granted by MOA, our effective tax rate was higher than the statutory tax rate mainly due to the Additional Tax Liability. See Section 12.2.2(xi) of this Prospectus for further details.

In FPE 30 September 2020, our effective tax rate was higher than the statutory tax rate mainly due to the Additional Tax Liability. See Section 12.2.2(xi) of this Prospectus for further details.

In FPE 30 September 2021, our effective tax rate was lower than the statutory tax rate mainly due to the (i) income grant under the ECER which provides a 100% income tax exemption on income derived by our Company from dairy milk processing activities in respect of our Muadzam Shah Facility, (ii) Larkin Facility Tax Incentive granted by MOF, and (iii) recognition of deferred tax income arising from the business losses incurred during the period by our Australian subsidiaries.

12.2.6 Review of performance for FYE 31 March 2019 compared to FYE 31 March 2020

The following table presents selected financial information from our consolidated statements of profit or loss for the years indicated:

	FYE 31 March				
	2019		2020		
	RM'000	% of revenue	RM'000	% of revenue	% change
Revenue	178,227	100.0	303,067	100.0	70.0
Cost of sales	(123,833)	(69.5)	(223,013)	(73.6)	80.1
Gross profit	**54,394**	**30.5**	**80,054**	**26.4**	**47.2**
Other income	4,724	2.7	2,763	0.9	(41.5)
Selling and distribution expenses	(11,578)	(6.5)	(19,782)	(6.5)	70.9
Administrative expenses	(14,423)	(8.1)	(20,230)	(6.7)	40.3
Other expenses	(653)	(0.4)	(194)	(0.0)	(70.2)
Results from operating activities	**32,464**	**18.2**	**42,611**	**14.1**	**31.3**
Finance income	213	0.1	46	0.0	(78.4)
Finance costs	(4,496)	(2.5)	(6,481)	(2.1)	44.1
Net finance costs	**(4,283)**	**(2.4)**	**(6,435)**	**(2.1)**	**50.2**
PBT	**28,181**	**15.8**	**36,176**	**11.9**	**28.4**
Tax expense					
- Current tax and deferred tax	(804)	(0.5)	(1,794)	(0.6)	123.1
- Additional tax for prior years	-	-	-	-	-
Total tax expense	**(804)**	**(0.5)**	**(1,794)**	**(0.6)**	**123.1**
PAT	**27,377**	**15.4**	**34,382**	**11.3**	**25.6**

Other selected financial data:

	FYE 31 March	
	2019	2020
Gross profit margin (%)[(1)]	30.5	26.4
EBITDA (RM'000)[(2)]	40,755	56,354
EBITDA margin (%)[(3)]	22.9	18.7
PBT margin (%)[(4)]	15.8	11.9
PAT margin (%)[(5)]	15.4	11.3

Notes:

(1) Computed based on gross profit divided by revenue.

(2) EBITDA is calculated as profit before tax plus net finance costs and depreciation and amortisation.

(3) Computed based on EBITDA divided by revenue.

(4) Computed based on PBT divided by revenue.

(5) Computed based on PAT divided by revenue.

(i) Revenue

The following tables set out our revenue by type and by geographical markets as well as their percentage change for the financial years indicated:

	FYE 31 March		
	2019	2020	
	RM'000	RM'000	% change
Dairy products			
Chilled RTD milk	116,939	156,757	34.1
UHT/ambient products	12,680	73,887	482.7
Yoghurt products	31,693	39,871	25.8
	161,312	**270,515**	**67.7**
Plant-based products	1,075	1,949	81.3
Fruit jam and sauces	-	7,540	-
Raw milk	15,840	22,649	43.0
Others	-	414	-
Total revenue	**178,227**	**303,067**	**70.0**

	FYE 31 March		
	2019	2020	
	RM'000	RM'000	% change
Malaysia	155,058	262,670	69.4
Australia	15,840	30,189	90.6
Singapore	7,329	10,208	39.3
Total revenue	**178,227**	**303,067**	**70.0**

The following table sets out the average selling prices of our dairy products, plant-based products, fruit jam and sauces, and raw milk to external customers and their percentage change for the financial years indicated:

	FYE 31 March		
	2019	**2020**	**% change**
Malaysia			
Dairy products per litre (RM)	6.39	6.30	(1.4)
Plant-based products per litre (RM)	4.96	5.08	2.4
Australia			
Raw milk per litre (AUD)	0.45	0.50	11.1
Fruit jam and sauces per kg (AUD)[1]	-	4.50	N/A
Singapore			
Dairy products per litre (SGD)	2.00	2.00	-

Note:

(1) We started selling fruit jam and sauces in December 2019 but due to the rationalisation plan to downsize IXL fruit jam operations, we expect sales of fruit jams to reduce over time.

Our revenue increased by 70.0% from RM178.2 million in FYE 31 March 2019 to RM303.1 million in FYE 31 March 2020. The increase was primarily due to:

(a) a RM107.6 million increase in revenue from Malaysia from RM155.1 million in FYE 31 March 2019 to RM262.7 million in FYE 31 March 2020 primarily due to:

- an increase in the sales volume of dairy products by 74.4% from 25.8 million litres to 45.0 million litres, which was offset by a decrease in average selling price of our dairy products in Malaysia by 0.1% from RM6.39 per litre to RM6.30 per litre; and

- an increase in the sales volume of our plant-based products in Malaysia by 200.0% from 0.1 million litres to 0.3 million litres, and an increase in average selling price of our plant-based products in Malaysia by 2.4% from RM4.96 per litre to RM5.08 per litre due to slightly higher average selling price to our modern trade customers;

(b) a RM14.4 million increase in revenue from Australia from RM15.8 million in FYE 31 March 2019 to RM30.2 million in FYE 31 March 2020 primarily due to:

- an increase in the average selling price of our raw milk in Australia by 11.1% from AUD0.45 per litre to AUD0.50 per litre largely due to higher prevailing market prices in Australia for raw milk;

- an increase in the sales volume of our dairy products in Australia by 35.9% from 11.7 million litres to 15.9 million litres; and

- the acquisition of Henry Jones Foods' products' assets and jam business, which was completed in December 2019 and accordingly contributed to a three-month revenue of RM7.5 million in FYE 31 March 2020; and

(c) a RM2.9 million increase in revenue from Singapore from RM7.3 million in FYE 31 March 2019 to RM10.2 million in FYE 31 March 2020 primarily due to an increase in the sales volume of our dairy products by 37.8% from 3.7 million litres to 5.1 million litres.

(ii) **Cost of sales**

Our cost of sales increased by 80.1% from RM123.8 million in FYE 31 March 2019 to RM223.0 million in FYE 31 March 2020. This was primarily due to:

(a) an increase in our purchases of raw materials by 84.5% from RM93.4 million in FYE 31 March 2019 to RM172.3 million in FYE 31 March 2020, largely in line with the increase in revenue by 70.0% from RM178.2 million in FYE 31 March 2019 to RM303.1 million in FYE 31 March 2020. Such increase in our purchases of raw materials can be broken down into:

- an increase in the purchase cost of milk by 82.5% from RM48.0 million in FYE 31 March 2019 to RM87.6 million in FYE 31 March 2020;
- an increase in the purchase cost of packaging materials by 73.9% from RM21.8 million in FYE 31 March 2019 to RM37.9 million in FYE 31 March 2020; and
- an increase in the purchase cost of products ingredients such as sugar, chocolate powder, dates concentrate and coffee powder by 274.0% from RM5.0 million in FYE 31 March 2020 to RM18.7 million in FYE 31 March 2020, due mainly to an increase in production of our UHT/ambient milk products in FYE 31 March 2020, and our purchase of additional new ingredients for fruit jams and sauces further to the acquisition of the Henry Jones Foods' products' assets and jam business in December 2019, which contributed revenue for only three months in FYE 31 March 2020;

(b) an increase in direct labour and overheads by 67.1% from RM30.4 million in FYE 31 March 2019 to RM50.8 million in FYE 31 March 2020 mainly due to:

- an increase in the cost of labour by 86.5% from RM9.6 million in FYE 31 March 2019 to RM17.9 million in FYE 31 March 2020, in line with the increase in workers employed to support the growth in our operations; and
- an increase in our overheads including utilities, quality control lab expenses, CIP and cleaning materials, as well as factory upkeep and maintenance by 46.8% from RM14.1 million in FYE 31 March 2019 to RM20.7 million in FYE 31 March 2020, in line with the growth in our operations; and

(c) an increase in animal feed and herd health cost by 54.4% from RM17.1 million in FYE 31 March 2019 to RM26.4 million in FYE 31 March 2020 mainly due to:

- an increase in our milking cow herd size by 29.9% from 2,435 heads in FYE 31 March 2019 to 3,163 heads in FYE 31 March 2020, mainly attributable to the expansion of our Mawai Farm; and
- dry seasonal weather conditions in Australia that had driven feed and water costs up due to scarcity of water resources.

(iii) **Gross profit and gross profit margin**

The following table sets out our gross profit and gross profit margin and their percentage change for the financial years indicated:

	FYE 31 March		
	2019	**2020**	**% change**
Gross profit (RM'000)	54,394	80,054	47.2
Gross profit margin (%)	30.5	26.4	(13.4)

As a result of the foregoing, our gross profit increased by 47.2% from RM54.4 million in FYE 31 March 2019 to RM80.1 million in FYE 31 March 2020. Our gross profit margin decreased from 30.5% in FYE 31 March 2019 to 26.4% in FYE 31 March 2020 primarily due to the following:

(a) increase in product manufacturing COGS due to a significant expansion in the installation of new production lines at our Muadzam Shah Facility, resulting in higher manufacturing cost per unit due to low initial utilisation of the new manufacturing lines;

(b) the acquisition of the IXL fruit jams and Taylors' sauces brands, which was completed in December 2019 and accordingly contributed to a three-month revenue of RM7.5 million in FYE 31 March 2020. We experienced lower gross profit margins due to initial start-up costs and could not enjoy the benefits of any operational leverage typically reaped from a full year's operations; and

(c) an increase in our animal feed and herd health cost by 54.4% from RM17.1 million in FYE 31 March 2019 to RM26.4 million in FYE 31 March 2020 as a result of dry seasonal weather in Australia. This has resulted in higher feed and water costs, and a negative gross profit margin for the raw milk sales in Australia which increased by 43.0% from RM15.8 million in FYE 31 March 2019 to RM22.6 million in FYE 31 March 2020.

(iv) **Other income**

Our other income decreased by 40.4% from RM4.7 million in FYE 31 March 2019 to RM2.8 million in FYE 31 March 2020. This was primarily due to a lower fair value gain of biological assets by RM1.6 million due a one-off government subsidy of RM1.8 million in FYE 31 March 2019 on the import cost of dairy herds in FYE 31 March 2019.

(v) **Selling and distribution expenses**

Our selling and distribution expenses increased by 70.7% from RM11.6 million in FYE 31 March 2019 to RM19.8 million in FYE 31 March 2020. This was primarily due to:

(a) an increase in transportation and logistics expenses from RM9.6 million in FYE 31 March 2019 to RM15.4 million in FYE 31 March 2020, which is in line with the 70% increase in sales, as the higher volume of sales required additional transportation and logistics costs;

(b) an increase in marketing and business development expenses from RM0.9 million in FYE 31 March 2019 to RM2.9 million in FYE 31 March 2020 primarily due to an increase in advertising and promotion expenses largely due to the promotion of our products on both traditional media and online platforms.

(vi) **Administrative expenses**

Our administrative expenses increased by 40.3% from RM14.4 million in FYE 31 March 2019 to RM20.2 million in FYE 31 March 2020. This was primarily due to an increase in employee benefit costs (including Directors' remuneration of RM2.9 million) arising from an increase in administrative staff to support the expansion of our operations. We also incurred a total of RM1.4 million one-off costs in connection with a proposed corporate exercise.

(vii) **Other expenses**

Our other expenses decreased by 71.4% from RM0.7 million in FYE 31 March 2019 to RM0.2 million in FYE 31 March 2020. This was primarily due to the one-off write-off cost of RM0.4 million for our property, plant and equipment in FYE 31 March 2019 due to the damages caused by a fire incident at our Muadzam Shah Farm in FYE 31 March 2019.

(viii) **Finance income**

Our finance income decreased by 75.0% from RM0.2 million in FYE 31 March 2019 to RM0.05 million in FYE 31 March 2020. This was primarily due to a lower fixed deposit income of RM0.01 million in FYE 31 March 2020 compared to RM0.2 million in FYE 31 March 2019 as a result of the lower deposits placed with banks in FYE 31 March 2020 in order to maintain a higher level of operating cash flow to support our business expansion.

(ix) **Finance costs**

Our finance costs increased by 44.4% from RM4.5 million in FYE 31 March 2019 to RM6.5 million in FYE 31 March 2020. This was primarily due to:

(a) our drawdown of shareholder loan in FYE 31 March 2020 which contributed a RM1.0 million loan interest. The shareholder loan was for the acquisition of the IXL fruit jam and Taylor's' sauces brands and the Kyabram Facility;

(b) an increase in trade finance facilities from RM0.4 million in FYE 31 March 2019 to RM1.3 million in FYE 31 March 2020 for the purchase of raw materials, in line with the increase in production of our UHT/ambient milk products; and

(c) an increase in hire purchase liabilities from RM0.7 million in FYE 31 March 2019 to RM1.5 million in FYE 31 March 2020 primarily due to the expansion of our manufacturing operations in Muadzam Shah.

(x) **PBT and PBT margin**

Our PBT increased by 28.4% from RM28.2 million in FYE 31 March 2019 to RM36.2 million in FYE 31 March 2020. Our PBT margin decreased from 15.8% in FYE 31 March 2019 to 11.9% in FYE 31 March 2020 primarily due to the decrease in gross profit margin for the reasons stated in Section 12.2.6(iii) of this Prospectus.

(xi) **Tax expense**

Our tax expense was RM1.8 million in FYE 31 March 2020 as compared with RM0.8 million in FYE 31 March 2019, representing an increase of RM1.0 million. This increase was primarily attributed to increase in deferred tax expense of RM1.0 million due to temporary difference arising from property, plant and equipment. Our effective tax rate increased from 2.9% to 5.0% due to under provision of tax in the prior year amounting to RM0.5 million, which was recorded in FYE 31 March 2020.

(xii) **PAT and PAT margin**

As a result of the foregoing, our PAT was RM34.4 million in FYE 31 March 2020 as compared with RM27.4 million in FYE 31 March 2019, representing an increase of RM7.0 million, or 25.5%. Our PAT margin decreased to 11.3% in FYE 31 March 2020 from 15.4% in FYE 31 March 2019. This is in line with the decrease in our gross profit and PBT margins for FYE 31 March 2020.

For illustration purposes only, assuming the Additional Tax Liability of RM25,708,582 is allocated to the respective financial years, our adjusted consolidated PAT and PAT margin for FYE 31 March 2019 and FYE 31 March 2020 would be as follows:

	FYE 31 March	
	2019	**2020**
	RM'000	**RM'000**
Consolidated PAT (RM'000)	27,377	34,382
Reallocation of Additional Tax Liability (RM'000)[(1)]	(5,139)	(5,870)
Adjusted PAT (RM'000)	**22,237**	**28,512**
Adjusted PAT margin (%)	**12.5**	**9.4**

Note:

(1) Relates to the reallocation of Additional Tax Liability to the respective financial years, for illustration purpose. Out of the Additional Tax Liability of RM25,708,582, RM5,870,334 relates to YA 2020, RM5,139,424 relates to YA 2019 and RM14,698,824 relates to YA 2014 to YA 2018.

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12.2.7 Review of performance for FYE 31 March 2020 compared to FYE 31 March 2021

The following table presents selected financial information from our consolidated statements of profit or loss for the years indicated:

	FYE 31 March				
	2020		2021		
	RM'000	% of revenue	RM'000	% of revenue	% change
Revenue	303,067	100.0	490,498	100.0	61.8
Cost of sales	(223,013)	(73.6)	(349,612)	(71.3)	56.8
Gross profit	**80,054**	**26.4**	**140,886**	**28.7**	**76.0**
Other income	2,763	0.9	9,021	1.8	226.5
Selling and distribution expenses	(19,782)	(6.5)	(37,522)	(7.6)	89.7
Administrative expenses	(20,230)	(6.7)	(27,060)	(5.5)	33.8
Other expenses	(194)	(0.0)	(7,980)	(1.6)	4013.4
Results from operating activities	**42,611**	**14.1**	**77,345**	**15.8**	**81.5**
Finance income	46	0.0	228	0.0	395.7
Finance costs	(6,481)	(2.1)	(9,984)	(2.0)	54.1
Net finance costs	**(6,435)**	**(2.1)**	**(9,756)**	**(2.0)**	**51.6**
PBT	**36,176**	**11.9**	**67,589**	**13.8**	**86.8**
Tax expense					
- Current tax and deferred tax	(1,794)	(0.6)	(9,052)	(1.8)	(404.6)
- Additional tax for prior years	-	-	(25,709)	(5.3)	(100.0)
Total tax expense	**(1,794)**	**(0.6)**	**(34,761)**	**(7.1)**	**1,837.7**
PAT	**34,382**	**11.3**	**32,828**	**6.7**	**(4.5)**

Other selected financial data:

	FYE 31 March	
	2020	2021
Gross profit margin (%)[(1)]	26.4	28.7
EBITDA (RM'000)[(2)]	56,354	98,759
EBITDA margin (%)[(3)]	18.7	20.1
PBT margin (%)[(4)]	11.9	13.8
PAT margin (%)[(5)]	11.3	6.7

Notes:

(1) Computed based on gross profit divided by revenue.

(2) EBITDA is calculated as profit before tax plus net finance costs and depreciation and amortisation.

(3) Computed based on EBITDA divided by revenue.

(4) Computed based on PBT divided by revenue.

(5) Computed based on PAT divided by revenue.

(i) **Revenue**

The following tables set out our revenue by type and by geographical markets as well as their percentage change for the financial years indicated:

	FYE 31 March		
	2020	2021	
	RM'000	RM'000	% change
Dairy products			
Chilled RTD milk	156,757	224,379	43.1
UHT/ambient products	73,887	150,760	104.0
Yoghurt products	39,871	48,623	22.0
	270,515	**423,762**	**56.7**
Plant-based products	1,949	11,889	510.0
Fruit jam and sauces	7,540	27,984	271.1
Raw milk	22,649	23,731	4.8
Others	414	3,132	656.5
Total revenue	**303,067**	**490,498**	**61.8**

	FYE 31 March		
	2020	2021	
	RM'000	RM'000	% change
Malaysia	262,670	420,072	59.9
Australia	30,189	51,715	71.3
Singapore	10,208	17,817	74.5
Brunei	-	894	100.0
Total revenue	**303,067**	**490,498**	**61.8**

The following table sets out the average selling prices of our dairy products, plant-based products, fruit jam and sauces, and raw milk to external customers and their percentage change for the financial years indicated:

	FYE 31 March		
	2020	2021	% change
Malaysia			
Dairy products per litre (RM)	6.30	6.10	(3.2)
Plant-based products per litre (RM)	5.08	6.79	33.7
Australia			
Raw milk per litre (AUD)	0.50	0.58	16.0
Fruit jam and sauces per kg (AUD)	4.50	4.74	5.3
Singapore			
Dairy products per litre (SGD)	2.00	1.82	(9.0)
Plant-based products per litre (SGD) [(1)]	-	3.62	-

Note:

(1) We started selling plant-based products in Singapore in October 2020.

Our revenue increased by 61.8% from RM303.1 million in FYE 31 March 2020 to RM490.5 million in FYE 31 March 2021. The increase was primarily due to:

(a) a RM157.4 million increase in revenue from Malaysia from RM262.7 million in FYE 31 March 2020 to RM420.1 million in FYE 31 March 2021 primarily due to:

- an increase in the sales volume of dairy products by 58.4% from 45.0 million litres to 71.3 million litres and a slight decrease in the average selling price of our dairy products in Malaysia by 3.2% from RM6.30 per litre to RM6.10 per litre due to a slight change in product mix towards lower priced products such as full cream fresh milk, chocolate milk and private label products; and

- an increase in the sales volume plant-based products by 466.7% from 0.3 million litres to 1.7 million litres and an increase in the average selling price of plant-based products in Malaysia by 33.7% from RM5.08 per litre to RM6.79 per litre due to the introduction of higher-priced plant-based products such as almond milk, oat milk and chocolate soy milk;

(b) a RM21.5 million increase in revenue from Australia from RM30.2 million in FYE 31 March 2020 to RM51.7 million in FYE 31 March 2021 primarily due to the full year contribution from Henry Jones Foods of RM28.0 million as compared to a three months contribution of RM7.5 million in FYE 31 March 2020; and

(c) a RM7.6 million increase in revenue from Singapore from RM10.2 million in FYE 31 March 2020 to RM17.8 million in FYE 31 March 2021 primarily due to an increase in the sales volume of dairy products by 88.2% from 5.1 million litres to 9.6 million litres.

(ii) **Cost of sales**

Our cost of sales increased by 56.8% from RM223.0 million FYE 31 March 2020 to RM349.6 million in FYE 31 March 2021. This was primarily due to:

(a) increase in purchases of raw materials by 51.9% to RM261.7 million in FYE 31 March 2021 largely in line with the increase in revenue by 61.8% from RM303.1 million in FYE 31 March 2020 to RM490.5 million in FYE 31 March 2021. Such increase in purchases of raw materials can be broken down into:

- an increase in the purchase cost of milk by 44.9% from RM87.6 million in FYE 31 March 2020 to RM126.9 million in FYE 31 March 2021;

- an increase in the purchase cost of packaging materials by 63.1% from RM37.9 million in FYE 31 March 2020 to RM61.8 million in FYE 31 March 2021, in line with the increase in production of UHT/ambient milk products; and

- an increase in carriage inwards cost by 441.7% from RM1.2 million in FYE 31 March 2020 to RM6.5 million in FYE 31 March 2021, due to an increase in shipping rates caused by the COVID-19 pandemic;

(b) increase in direct labour and overheads by 70.9% from RM50.8 million in FYE 31 March 2020 to RM86.8 million in FYE 31 March 2021 mainly due to:

- an increase in the cost of labour by 67.0% from RM17.9 million in FYE 31 March 2020 to RM29.9 million in FYE 31 March 2021, in line with the increase in workers employed to support the growth in our operations; and

- an increase in the cost of overheads including utilities, quality control lab expenses, CIP and cleaning materials, as well as factory upkeep and maintenance by 81.6% from RM20.6 million in FYE 31 March 2020 to RM37.4 million in FYE 31 March 2021, in line with the growth in our operations; and

(c) an increase in animal feed and herd health cost by 6.8% from RM26.4 million in FYE 31 March 2020 to RM28.2 million in FYE 31 March 2021, in line with the growth in our milking cow herd size by 6.6% from 3,163 heads in FYE 31 March 2020 to 3,371 heads in FYE 31 March 2021.

(iii) **Gross profit and gross profit margin**

The following table sets out our gross profit and gross profit margin and their percentage change for the financial years indicated:

	FYE 31 March		
	2020	**2021**	**% change**
Gross profit (RM'000)	80,054	140,886	76.0
Gross profit margin (%)	26.4	28.7	8.8

As a result of the foregoing, our gross profit increased by 75.9% from RM80.1 million in FYE 31 March 2020 to RM140.9 million in FYE 31 March 2021.

Our gross profit margin increased from 26.4% in FYE 31 March 2020 to 28.7% in FYE 31 March 2021 primarily due to the following:

(a) a decrease in product manufacturing COGS due to higher utilisation of our Muadzam Shah Facility; and

(b) a higher proportion of UHT/ambient products sales such as Kurma milk and the introduction of new plant-based product SKUs which carried a higher gross profit margin such as oat milk and almond milk.

(iv) **Other income**

Our other income increased by 221.4% from RM2.8 million in FYE 31 March 2020 to RM9.0 million in FYE 31 March 2021. This was primarily due to higher fair value gain of biological assets by RM4.3 million and a one-off grant of RM2.5 million from the Australian government under the JobKeeper Payment scheme introduced due to the COVID-19 pandemic.

(v) **Selling and distribution expenses**

Our selling and distribution expenses increased by 89.4% from RM19.8 million in FYE 31 March 2020 to RM37.5 million in FYE 31 March 2021. This was primarily due to:

(a) an increase in transportation and logistics expenses from RM15.4 million in FYE 31 March 2020 to RM24.5 million in FYE 31 March 2021 which was largely due to the increase in our sales and an increase in transportation and logistics costs due to a higher volume of products being transported in line with increase in sales;

(b) an increase in marketing and business development expenses from RM2.9 million in FYE 31 March 2020 to RM11.3 million in FYE 31 March 2021 primarily due to (aa) an increase in advertising and promotion expenses from RM2.7 million in FYE 31 March 2020 to RM8.4 million in FYE 31 March 2021 largely due to the promotion of our products on both traditional media and online platforms, (bb) an increase in merchandising and marketing fees from RM0.1 million in FYE 31 March 2020 to RM1.6 million in FYE 31 March 2021 largely due to hiring of a business and marketing consultant by Henry Jones Foods, and (cc) an increase in research and development expenses from RM0.05 million in FYE 31 March 2020 to RM1.3 million in FYE 31 March 2021 largely due to the development of our IXL 50% less sugar range of jam; and

(c) an increase in other selling and distribution expenses from RM1.5 million in FYE 31 March 2020 to RM1.7 million in FYE 31 March 2021 primarily due to an increase in merchandiser fee arising from a higher number of merchandisers with more modern trade outlets carrying our products.

(vi) **Administrative expenses**

Our administrative expenses increased by 34.2% from RM20.2 million in FYE 31 March 2020 to RM27.1 million in FYE 31 March 2021. This was primarily due to (a) an increase in employee benefit costs including Directors' remuneration by RM1.0 million primarily due to an increase in the number of employees to support our operations in Muadzam Shah and Larkin, and our Taiping Farm which started during FYE 31 March 2021, (b) an increase in our corporate service and professional fees by RM4.6 million due to fees incurred in connection with our IPO and the establishment of the Sukuk Wakalah Programme ("**Sukuk**"), and (c) an increase in offices expenses by RM 1.3 million largely due to increased operating costs of our administrative office to support expansion of our operations in Malaysia and Australia.

(vii) **Other expenses**

Our other expenses increased by 3,900.0% from RM0.2 million in FYE 31 March 2020 to RM8.0 million in FYE 31 March 2021. This was primarily due to (a) an impairment loss of RM4.2 million recognised on the Henry Jones Foods plant and machineries arising from an assessment of the recoverable amount of the assets due to losses incurred in the fruit jam operations, (b) a redundancy cost of RM3.1 million as part of the restructuring plan for Henry Jones Foods, and (c) an impairment loss of RM0.5 million on trade and other receivables primarily due to long outstanding balance for more than five years.

(viii) **Finance income**

Our finance income increased by 300.0% from RM0.05 million in FYE 31 March 2020 to RM0.2 million in FYE 31 March 2021. This was primarily due to a higher bank interest income of RM 0.1 million in FYE 31 March 2021 due to a higher cash balance placed with bank institutions in FYE 31 March 2021 compared to FYE 31 March 2020 arising from the increase in our revenue.

(ix) **Finance costs**

Our finance costs increased by 53.8% from RM6.5 million in FYE 31 March 2020 to RM10.0 million in FYE 31 March 2021. This was primarily due to the following:

(a) an increase in shareholder loan from RM1.0 million in FYE 31 March 2020 to RM3.0 million in FYE 31 March 2021, resulting from a full-year loan period in FYE 31 March 2021 compared to the four-month loan period in FYE 31 March 2020 as the shareholder's loan was drawn down in December 2019;

(b) the drawdown of a new term loan of RM21.0 million to part-finance the business expansion and working capital for our operations in Australia, resulting in an increase in term loan interest by 33.3% from RM2.4 million in FYE 31 March 2020 to RM3.2 million in FYE 31 March 2021;

(c) an increase in trade finance from RM1.3 million in FYE 31 March 2020 to RM1.7 million in FYE 31 March 2021 primarily due to higher proportion of purchases of raw materials and packaging materials, being financed by trade finance facilities, to serve as a buffer for the Ramadhan season in April 2021 in Malaysia; and

(d) an increase in bank overdrafts from RM0.1 million in FYE 31 March 2020 to RM0.2 million in FYE 31 March 2021 primarily to finance the operating cash flow of Henry Jones Foods which was loss-making.

(x) **PBT and PBT margin**

As a result of the foregoing, our PBT increased by 86.7% to RM67.6 million in FYE 31 March 2021 from RM36.2 million in FYE 31 March 2020. Our PBT margin increased to 13.8% in FYE 31 March 2021 from 11.9% in FYE 31 March 2020, primarily due to the reasons set out in Section 12.2.7(iii) of this Prospectus, higher fair value gain by RM3.0 million, and the one-off grant of RM2.5 million from the Australian government under the JobKeeper Payment scheme introduced due to COVID-19.

(xi) **Tax expense**

Our tax expense increased by 1,883.3% from RM1.8 million in FYE 31 March 2020 to RM34.8 million in FYE 31 March 2021. In connection with the Tax Issue, an aggregate of RM25,708,582 in tax liability and estimated penalty has been determined to be payable for the relevant YA from 2014 to YA 2020, and RM10,490,033 for YA 2021. Out of the Additional Tax Liability of RM25,708,582 for YA 2014 to YA 2020, RM 5,870,334 relates to YA 2020, RM5,139,424 relates to YA 2019 and the remaining amount of RM14,698,824 relates to YA 2014 to YA 2018. We have recognised these amounts in FYE 31 March 2021.

Our effective tax rate has increased from 5.0% in FYE 31 March 2020 to 51.4% in FYE 31 March 2021 due to the aforementioned additional tax liability. However, excluding the impact of the prior year taxes of RM25,708,582, the effective tax rate for FYE 31 March 2021 is 13.4% which takes into account the taxes for the milk processing facilities of the subsidiary only for 31 March 2021 only. See Section 12.2.2(xi) of this Prospectus for further details.

(xii) **PAT and PAT margin**

As a result of the foregoing, our PAT decreased by 4.7% from RM34.4 million in FYE 31 March 2020 to RM32.8 million in FYE 31 March 2021. Our PAT margin decreased from 11.3% in FYE 31 March 2020 to 6.7% in FYE 31 March 2021.

For illustration purposes only, assuming the Additional Tax Liability of RM25,708,582 and Larkin Facility Tax Incentive of RM10,490,033 is allocated to the respective financial years, our adjusted consolidated PAT and PAT margin FYE 31 March 2020 and FYE 31 March 2021 would be as follows:

	FYE 31 March	
	2020	2021
	RM'000	RM'000
Consolidated PAT (RM'000)	34,382	32,828
Reallocation of Additional Tax Liability (RM'000)[1]	(5,870)	25,709
Reallocation of reversal of tax (RM'000)[2]	-	10,490
Adjusted PAT (RM'000)	**28,512**	**69,026**
Adjusted PAT margin (%)	**9.4**	**14.1**

Notes:

(1) Relates to the reallocation of Additional Tax Liability to the respective financial years, for illustration purpose. Out of the Additional Tax Liability of RM25,708,582, RM5,870,334 relates to YA 2020, RM5,139,424 relates to YA 2019 and RM14,698,824 relates to YA 2014 to YA 2018.

(2) Relates to the reallocation of the Larkin Facility Tax Incentive amounting to RM10,490,033, which relates to YA 2021. For FPE 30 September 2020, the amount pertains to the tax exemption that would have been applicable for the first six months of YA 2021.

12.2.8 Review of performance for FPE 30 September 2020 compared to FPE 30 September 2021

The following table presents selected financial information from our consolidated statements of profit or loss for the periods indicated:

	FPE 30 September				
	2020		2021		
	RM'000	% of revenue	RM'000	% of revenue	% change
Revenue	234,423	100.0	257,187	100.0	9.7
Cost of sales	(167,341)	(71.4)	(191,731)	(74.5)	14.6
Gross profit	**67,082**	28.6	**65,456**	25.5	(2.4)
Other income	3,414	1.5	11,665	4.5	241.7
Selling and distribution expenses	(18,739)	(8.0)	(14,730)	(5.8)	(21.4)
Administrative expenses	(10,294)	(4.4)	(15,719)	(6.1)	52.7
Other expenses	(40)	(0.0)	(6,210)	(2.4)	15425.0
Results from operating activities	**41,423**	17.7	**40,462**	15.7	(2.3)

	FPE 30 September				
	2020		2021		
	RM'000	% of revenue	RM'000	% of revenue	% change
Finance income	142	0.0	395	0.2	178.2
Finance costs	(4,050)	(1.7)	(5,650)	(2.2)	39.5
Net finance costs	**(3,908)**	**(1.7)**	**(5,255)**	**(2.0)**	**34.5**
PBT	**37,515**	16.0	**35,207**	13.7	(6.2)
Tax expense					
- Current tax and deferred tax	(3,176)	(1.3)	3,788	1.5	(219.3)
- Additional tax for prior periods	(25,709)	(11.0)	-	-	(100.0)
- Reversal of tax	-	-	10,490	4.1	100.0
Total tax (expense) / income	**(28,885)**	**(12.3)**	**14,278**	**5.5**	**(149.4)**
PAT	**8,630**	**3.7**	**49,485**	**19.2**	**473.4**

Other selected financial data:

	FPE 30 September	
	2020	2021
Gross profit margin (%)[1]	28.6	25.5
EBITDA (RM'000)[2]	50,014	54,397
EBITDA margin (%)[3]	21.3	21.2
PBT margin (%)[4]	16.0	13.7
PAT margin (%)[5]	3.7	19.2

Notes:

(1) *Computed based on gross profit divided by revenue.*

(2) *EBITDA is calculated as profit before tax plus net finance costs and depreciation and amortisation.*

(3) *Computed based on EBITDA divided by revenue.*

(4) *Computed based on PBT divided by revenue.*

(5) *Computed based on PAT divided by revenue.*

(i) Revenue

The following tables set out our revenue by type and by geographical markets as well as their percentage change for the financial periods indicated:

	FPE 30 September		
	2020	2021	
	RM'000	RM'000	% change
Dairy products			
Chilled RTD milk	110,528	124,250	12.4
UHT/ambient products	69,475	71,519	2.9
Yoghurt products	24,427	23,083	(5.5)
	204,430	**218,852**	7.1
Plant-based products	2,694	5,114	89.8
Fruit jam and sauces	15,250	15,771	3.4
Raw milk	10,931	13,788	26.1
Others	1,118	3.662	227.5
Total revenue	**234,423**	**257,187**	**9.7**

	FPE 30 September		
	2020	2021	
	RM'000	RM'000	% change
Malaysia	198,856	217,453	9.4
Australia	26,181	29,537	12.8
Singapore	9,386	9,858	5.0
Brunei	-	339	-
Total revenue	**234,423**	**257,187**	**9.7**

The following table sets out the average selling prices of our dairy products, plant-based products, fruit jam and sauces, and raw milk to external customers and their percentage change for the financial periods indicated:

	FPE 30 September		
	2020	2021	% change
Malaysia			
Dairy products per litre (RM)	6.16	6.11	(0.8)
Plant-based products per litre (RM)	6.75	7.23	7.1
Australia			
Raw milk per litre (AUD)	0.61	0.62	1.6
Fruit jam and sauces per kg (AUD)	4.88	4.36	(10.7)
Singapore			
Dairy products per litre (SGD)	1.85	1.75	(5.4)
Plant-based products per litre (SGD) [(1)]	-	1.66	-

Note:

(1) We started selling plant-based products in Singapore in October 2020.

Our revenue increased by 9.7% from RM234.4 million in FPE 30 September 2020 to RM257.2 million in FPE 30 September 2021. The increase was primarily due to:

(a) a RM18.6 million increase in revenue from Malaysia from RM198.9 million in FPE 30 September 2020 to RM217.5 million in FPE 30 September 2021 primarily due to:

- an increase in the sales volume of dairy products by 10.3% from 33.9 million litres to 37.4 million litres, partially offset by a decrease in the average selling price of our dairy products in Malaysia by 0.8% from RM6.16 per litre to RM6.11 per litre primarily due to a higher proportion of sales from private label products which carry a lower selling price; and

- an increase in the sales volume of plant-based products by 75.0% from 0.4 million litres to 0.7 million litres and an increase in the average selling price of plant-based products in Malaysia by 7.1% from RM6.75 per litre to RM7.23 per litre due to higher sales of almond and oat milk products which carry a higher selling price;

(b) a RM3.3 million increase in revenue from Australia from RM26.2 million in FPE 30 September 2020 to RM29.5 million in FPE 30 September 2021 primarily due to an increase in the sales volume of fruit jam and sauces from 1.0 million kg in FPE 30 September 2020 to 1.4 million kg in FPE 30 September 2021, partially offset by a decrease in the average selling price of fruit jam and sauces by 10.7% from AUD4.88 per kg to AUD4.36 per kg primarily due to a higher proportion of private label products which carry a lower selling price; and

(c) a RM0.5 million increase in revenue from Singapore from RM9.4 million in FPE 30 September 2020 to RM9.9 million in FPE 30 September 2021 primarily due to:

- an increase in the sales volume of dairy products by 5.9% from 1.7 million litres to 1.8 million litres, partially offset by a decrease in the average selling price of dairy products in Singapore by 5.4% from SGD1.85 per litre to SGD1.75 per litre primarily due to higher sales of full cream milk and skinny milk products which carry a lower selling price; and
- the commencement of sales of plant-based products in Singapore in October 2020. The sales volume of plant-based products in Singapore in FPE 30 September 2021 was 0.02 million litres with an average selling price of SGD1.66.

(ii) **Cost of sales**

Our cost of sales increased by 14.6% from RM167.3 million FPE 30 September 2020 to RM191.7 million in FPE 30 September 2021. This was primarily due to:

(a) increase in purchases of raw materials by 2.0% to RM134.3 million in FPE 30 September 2021 as a result of the increase in revenue by 9.7% from RM234.4 million in FPE 30 September 2020 to RM257.2 million in FPE 30 September 2021. Such increase in purchases of raw materials can be broken down into:

- an increase in the purchase cost of packaging materials by 12.5% from RM28.9 million in FPE 30 September 2020 to RM32.5 million in FPE 30 September 2021, in line with the increase in production of UHT/ambient milk products; and
- an increase in carriage inwards cost by 226.3% from RM1.9 million in FPE 30 September 2020 to RM6.2 million in FPE 30 September 2021, primarily due to an increase in freight cost to import milk from our Kyabram Facility located in Australia and an increase in shipping rates caused by the COVID-19 pandemic;

The increase in costs of purchases of raw materials was partially offset by a decrease in the purchase cost of milk by 16.4% from RM71.8 million in FPE 30 September 2020 to RM60.0 million in FPE 30 September 2021 primarily due to the supply of milk by our Kyabram Facility starting from December 2020;

(b) increase in direct labour and overheads by 55.1% from RM35.6 million in FPE 30 September 2020 to RM55.2 million in FPE 30 September 2021 mainly due to:

- an increase in the cost of labour by 35.8% from RM13.7 million in FPE 30 September 2020 to RM18.6 million in FPE 30 September 2021, in line with (i) the increase in workers employed in our Kyabram Facility which commenced operations in the second half of FYE 31 March 2021, and (ii) the increase in workers employed to support the growth in our operations; and

- an increase in the cost of overheads including utilities, quality control lab expenses, CIP and cleaning materials, as well as factory upkeep and maintenance by 68.1% from RM14.1 million in FPE 30 September 2020 to RM23.7 million in FPE 30 September 2021, in line with the growth in our operations; and

(c) an increase in animal feed and herd health cost by 17.1% from RM14.0 million in FPE 30 September 2020 to RM16.4 million in FPE 30 September 2021, in line with (i) the growth in our milking cow herd size by 19.5% from 3,122 heads in FPE 30 September 2020 to 3,730 heads in FPE 30 September 2021, and (ii) the increase in global commodity price of animal feeds, namely alfalfa hay, maize and palm kernel expeller.

(iii) **Gross profit and gross profit margin**

The following table sets out our gross profit and gross profit margin and their percentage change for the financial periods indicated:

	FPE 30 September		
	2020	**2021**	**% change**
Gross profit (RM'000)	67,082	65,456	(2.4)
Gross profit margin (%)	28.6	25.5	(10.8)

As a result of the foregoing, our gross profit decreased by 2.4% from RM67.1 million in FPE 30 September 2020 to RM65.5 million in FPE 30 September 2021.

Our gross profit margin decreased from 28.6% in FPE 30 September 2020 to 25.5% in FPE 30 September 2021 primarily due to the following:

(a) an overall increase in our input costs such as raw materials, direct labour and overheads and animal feed and herd health cost as mentioned in Section 12.2.8(ii) above;

(b) an increase in negative gross margins incurred by Australia's Henry Jones IXL fruit jam operation; and

(c) a higher proportion of private label products sales which carried a lower gross profit margin.

(iv) **Other income**

Our other income increased by 241.7% from RM3.4 million in FPE 30 September 2020 to RM11.7 million in FPE 30 September 2021. This was primarily due to higher fair value gain of biological assets by RM9.1 million.

(v) **Selling and distribution expenses**

Our selling and distribution expenses decreased by 21.4% from RM18.7 million in FPE 30 September 2020 to RM14.7 million in FPE 30 September 2021. This was primarily due to:

(a) a decrease in transportation and logistics expenses from RM12.3 million in FPE 30 September 2020 to RM11.6 million in FPE 30 September 2021 which was largely due to stricter COVID-19 containment measures in Malaysia during the Third MCO Period which limited logistic and travel activities; and

(b) a decrease in marketing and business development expenses from RM5.8 million in FPE 30 September 2020 to RM2.7 million in FPE 30 September 2021 primarily due to a decrease in advertising and promotion expenses from RM4.1 million in FPE 30 September 2020 to RM1.6 million in FPE 30 September 2021 largely due to the fact that most of the advertising and promotion we had planned for had not taken place yet and are instead planned for the second half of FYE 31 March 2022.

(vi) **Administrative expenses**

Our administrative expenses increased by 52.4% from RM10.3 million in FPE 30 September 2020 to RM15.7 million in FPE 30 September 2021. This was primarily due to (a) an increase in our corporate service and professional fees by RM2.8 million primarily due to fees incurred in connection with our IPO, and (b) an increase in employee benefit costs by RM2.6 million including Directors' remuneration primarily due to an increase in executive director's remuneration and new hire of middle management personnel, namely Head of Audit and Risk and Head of Branding and Marketing.

(vii) **Other expenses**

Our other expenses increased significantly from RM0.04 million in FPE 30 September 2020 to RM6.2 million in FPE 30 September 2021. This was primarily due to (a) a redundancy cost of RM4.9 million as part of the plan to rationalise the existing business of Henry Jones Food which involved, among other things, downsizing the fruit jam business by discontinuing sales of our IXL brand to the modern trade channel in Australia, and (b) a RM0.6 million reversal of a one-off government grant received in FPE 30 September 2020 under the Cash Flow Boost scheme due to us not meeting certain conditions under the Cash Flow Boost scheme.

(viii) **Finance income**

Our finance income increased by 300.0% from RM0.1 million in FPE 30 September 2020 to RM0.4 million in FPE 30 September 2021. This was primarily due to a RM0.2 million increase in fixed deposits income in FPE 30 September 2021 due to a placement in the Aiiman Money Market Fund with the proceeds from the Sukuk Issue (as defined in Section 12.2.10 of this Prospectus).

(ix) **Finance costs**

Our finance costs increased by 39.0% from RM4.1 million in FPE 30 September 2020 to RM5.7 million in FPE 30 September 2021. This was primarily due to the following:

(a) the Sukuk Issue in FPE 30 September 2021, which increased the total debt of our Group and resulted in a RM2.5 million increase in finance cost; and

(b) the early full settlement of Malaysian's hire purchase facilities in FPE 30 September 2021 as part of our loan refinancing using the proceeds from the Sukuk Issue, resulting in an accelerated hire purchase interest by RM0.2 million.

The increase in finance costs in FPE 30 September 2021 was partially offset by;

(aa) a decrease in shareholder loan from RM1.4 million in FPE 30 September 2020 to RM0.6 million in FPE 30 September 2021 as a result of early full settlement in June 2021; and

(bb) a decrease in trade finance facilities from RM1.0 million in FPE 30 September 2020 to RM0.7 million in FPE 30 September 2021, which was primarily for the purchase of raw materials, due to increased cash flow resulting from the Sukuk Issue.

(x) **PBT and PBT margin**

As a result of the foregoing, our PBT decreased by 6.2% from RM37.5 million in FPE 30 September 2020 to RM35.2 million in FPE 30 September 2021. Our PBT margin decreased from 16.0% in FPE 30 September 2020 to 13.7% in FPE 30 September 2021, primarily due to the lower gross margins for the reasons set out in Section 12.2.8(iii) of this Prospectus, in particular the negative margins incurred by Australia's Henry Jones IXL fruit jam operation, and the redundancy cost of RM4.9 million as part of the rationalisation plan to downsize IXL fruit jam operations.

(xi) **Tax expense**

Our tax income in FPE 30 September 2021 was RM14.3 million, compared to a tax expense of RM29.9 million in FPE 30 September 2020.

In connection with the Tax Issue, an aggregate of RM25,708,582 in tax liability and estimated penalty has been determined to be payable for the relevant YA from 2014 to YA 2020. Out of the Additional Tax Liability of RM25,708,582 for YA 2014 to YA 2020, RM 5,870,334 relates to YA 2020, RM5,139,424 relates to YA 2019 and the remaining amount of RM14,698,824 relates to YA 2014 to YA 2018. We have recognised these amounts in FPE 30 September 2020.

Upon a subsequent application to the MOF, we have received approval that the Larkin Facility is approved for a new Tax Incentive under Section 127 (3A) of Income Tax Act, 1967. Under the incentive, we are allowed to claim income tax exemption on the statutory income arising from qualifying projects conducted in the Larkin Facility for 10 (5+5) years commencing from YA 2021. The tax income in FPE 30 September 2021 is primarily due to (a) the reversal of the tax payable amount of RM10,490,033 for YA 2021 previously recorded in FYE 31 March 2021 and (b) the deferred tax income recognised arising from the business losses incurred during the period by the Australian subsidiaries.

Our effective tax rate has decreased from 77.0% in FPE 30 September 2020 to (40.6)% in FPE 30 September 2021 due to the aforementioned additional tax liability in FPE 30 September 2020 and reversal of tax in FPE 30 September 2021. However, excluding the impact of the prior year taxes of RM25,708,582, the effective tax rate for FPE 30 September 2020 is 8.5% which takes into account the taxes for the milk processing facilities of the subsidiary for 30 September 2020 only. See Section 12.2.2(xi) of this Prospectus for further details.

(xii) **PAT and PAT margin**

As a result of the foregoing, our PAT increased by 475.6% from RM8.6 million in FPE 30 September 2020 to RM49.5 million in FPE 30 September 2021. Our PAT margin increased from 3.7% in FPE 30 September 2020 to 19.2% in FPE 30 September 2021.

For illustration purposes only, assuming the Additional Tax Liability of RM25,708,582 is allocated to the respective financial periods, our adjusted consolidated PAT and PAT margin for FPE 30 September 2020 and FPE 30 September 2021 would be as follows:

	FPE 30 September	
	2020	**2021**
	RM'000	**RM'000**
Consolidated PAT (RM'000)	8,630	49,485
Reallocation of Additional Tax Liability (RM'000)[(1)]	25,709	-
Reallocation of tax reversal (RM'000)[(2)]	5,973	(10,490)
Adjusted PAT (RM'000)	**40,312**	**38,995**
Adjusted PAT margin (%)	**17.2**	**15.2**

Notes:

(1) Relates to the reallocation of Additional Tax Liability to the respective financial years, for illustration purpose. Out of the Additional Tax Liability of RM25,708,582, RM5,870,334 relates to YA 2020, RM5,139,424 relates to YA 2019 and RM14,698,824 relates to YA 2014 to YA 2018.

(2) Relates to the reallocation of the Larkin Facility Tax Incentive amounting to RM10,490,033, which relates to YA 2021. For FPE 30 September 2020, the amount pertains to the tax exemption that would have been applicable for the first six months of YA 2021.

12.2.9 Liquidity and capital resources

(i) **Working capital**

Our principal sources of liquidity are our cash and bank balances, cash generated from our operations, borrowings from financial institutions and funding from our Sukuk issuance. Following the Listing, we expect to use the same principal sources of liquidity to fund our working capital needs, in addition to the fund raised from the IPO. Many factors including our results of operations and financial position and the conditions in the Malaysian and international financial markets could affect our ability to rely on these sources of funding.

As at 30 September 2021, we had cash and bank balances of RM59.6 million and multi-currency trade facilities comprising bankers' acceptance facilities, revolving credit facilities, overdraft facilities and other trade financings with a combined limit of RM280.2 million, of which RM74.3 million was drawn and RM205.9 million was undrawn.

As at 30 September 2021, our working capital, calculated as current assets minus current liabilities, was a net current asset of RM88.9 million. This was primarily due to the refinancing of current shareholder loan, term loans and hire purchase liabilities with the proceeds from the Sukuk Issue.

Based on the above and taking into consideration our funding requirements for our committed capital expenditure and contractual obligations, expected cash flows from operations, cash and bank balances, bank borrowings and facilities, together with the estimated proceeds that we expect to receive from our IPO, our Board believes that we will have sufficient working capital for a period of 12 months from the date of this Prospectus.

(ii) **Cash flows**

The following table summarises a summary of our consolidated statements of cash flows for the financial periods indicated:

	FYE 31 March			FPE 30 September	
	Audited			Unaudited	Audited
	2019	2020	2021	2020	2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Net cash flows					
Net cash from operating activities	13,657	24,173	59,668	33,584	51,721
Net cash used in investing activities	(48,823)	(91,967)	(85,661)	(49,897)	(33,099)
Net cash from/(used in) financing activities	40,741	64,813	24,483	12,709	45,915
Exchange difference on translation of the financial statements of foreign operation	589	3,275	(562)	27	(2,360)
Net movement	**6,164**	**294**	**(2,072)**	**(3,577)**	**62,177**
Cash and cash equivalents at beginning of the financial year	(6,935)	(771)	(477)	(477)	(2,549)
Cash and cash equivalents at end of the financial year	**(771)**	**(477)**	**(2,549)**	**(4,054)**	**59,628**

Our Board is of the opinion that there are no legal, financial or economic restrictions on the ability of our subsidiaries to transfer funds to our Company in the form of cash dividends, loans or advances to meet our cash obligations, subject to availability of distributable reserves and/or loans or advances and compliance with legal requirements and financial covenants.

Net cash from operating activities

<u>FYE 31 March 2019</u>

For FYE 31 March 2019, our net cash from operating activities was RM13.7 million. Our PBT was RM28.2 million, which was adjusted for non-cash and other items of RM10.2 million and further adjusted for working capital changes of RM24.9 million which primarily comprised:

(a) a RM20.9 million increase in inventories primarily to cater to the increase in sales; and

(b) a RM11.8 million increase in trade and other receivables primarily due to overall increase in sales;

which was partially offset by:

(i) a RM6.7 million increase in trade and other payables primarily due to higher outstanding amount from capital expenditure for our Muadzam Shah Facility and Larkin Facility, and purchases of inventories; and

(ii) a RM1.0 million increase in deferred income primarily due to the payment of government grant which was awarded in 2014 in respect of our Muadzam Shah Farm.

FYE 31 March 2020

For FYE 31 March 2020, our net cash from operating activities was RM24.1 million. Our PBT was RM36.2 million, which was adjusted for non-cash and other items of RM18.2 million and further adjusted for working capital changes of RM30.2 million which primarily comprised:

(a) a RM3.6 million increase in inventories primarily to cater to the increase in sales; and

(b) a RM39.2 million increase in trade and other receivables primarily due to overall increase in sales;

which was partially offset by a RM12.6 million increase in trade and other payables primarily due to higher outstanding amount from capital expenditure for our Muadzam Shah Farm, UPM Farm and Kyabram Facility, and purchases of inventories.

FYE 31 March 2021

For FYE 31 March 2021, our net cash from operating activities was RM59.7 million. Our PBT was RM67.6 million, which was adjusted for non-cash and other items of RM31.9 million and further adjusted for working capital changes of RM40.0 million which primarily comprised:

(a) a RM64.5 million increase in inventories primarily to cater to the increase in sales; and

(b) a RM9.0 million increase in trade and other receivables primarily due to overall increase in sales;

which was partially offset by:

(i) a RM33.1 million increase in trade and other payables primarily due to higher outstanding amount from capital expenditure for our Larkin expansion in our 14A plant, our Taiping Farm and our Kyabram Facility, and purchases of inventories; and

(ii) a RM0.5 million increase in deferred income primarily due to payment of government grant which was awarded in 2014 in respect of our Muadzam Shah Farm.

FPE 30 September 2021

For FPE 30 September 2021, our net cash from operating activities was RM51.7 million. Our PBT was RM35.2 million, which was adjusted for non-cash and other items of RM14.5 million and further adjusted for working capital changes of RM1.7 million which primarily comprised:

(a) a RM8.7 million increase in inventories primarily to cater to the increase in sales; and

(b) a RM0.9 million increase in trade and other receivables primarily due to overall increase in sales,

which was partially offset by a RM8.0 million increase in trade and other payables primarily due to higher outstanding amount from purchases of inventories.

Net cash used in investing activities

FYE 31 March 2019

Net cash used in investing activities was RM48.8 million in FYE 31 March 2019, which primarily comprised:

(a) purchases of property, plant and equipment of RM38.7 million primarily due to our building of the Muadzam Shah Facility, expansion of our Greater Shepparton Farm in Australia and expansion of our Larkin Facility;

(b) purchases of right-of-use assets of RM1.0 million primarily due to the addition of our 14A plant in Larkin, Johor; and

(c) purchases of biological assets of RM12.7 million primarily due to herd expansion across all farms in Malaysia and Australia,

which was partially offset by:

(i) proceeds from disposal of property, plant and equipment of RM0.1 million, primarily in relation to our Mawai Farm and Larkin Facility; and

(ii) proceeds from disposal of biological assets of RM3.5 million, largely comprising dry cows, across all farms in Malaysia and Australia.

FYE 31 March 2020

Net cash used in investing activities was RM92.0 million in FYE 31 March 2020, which primarily comprised:

(a) purchases of property, plant and equipment of RM61.8 million primarily due to the acquisition of our Kyabram Facility, our investment in our Mawai Farm for the construction and development of the farm, our investment in our UPM Farm including the installation of equipment tunnel barns and milking stations;

(b) purchase of our Kyabram Facility in Greater Shepparton, Australia for a consideration of RM22.8 million; and

(c) purchases of biological assets of RM14.0 million primarily due to herd expansion across all farms in Malaysia and Australia, particularly in our Muazdam Shah Farm,

which was partially offset by:

(i) proceeds from disposal of property, plant and equipment of RM1.3 million relating to the derecognition of assets held under the finance lease for several motor vehicles. These assets held under finance leases are recognised as receivables; and

(ii) proceeds from disposal of biological assets of RM5.3 million, largely comprising dry cows, across all farms in Malaysia and Australia.

FYE 31 March 2021

Net cash used in investing activities was RM85.7 million in FYE 31 March 2021, which primarily comprised:

(a) purchases of property, plant and equipment of RM75.1 million primarily due to the setting up of our Kyabram Facility, our investment in our UPM Farm (for the construction of facilities to support the agritourism activities at the farm), the expansion of processing facilities at our Muadzam Shah Farm and the construction of our Taiping Farm;

(b) purchases of biological assets of RM15.0 million primarily due to herd expansion in Malaysia, across all farms in Malaysia, in particular our Muazdam Shah Farm and our Taiping Farm; and

(c) purchases of intangible assets of RM3.5 million primarily due to ERP implementation in Malaysia and Australia,

which was partially offset by:

(i) proceeds from disposal of property, plant and equipment of RM1.1 million relating to the derecognition of assets held under the finance lease for several motor vehicles. These assets held under finance leases are recognised as receivables; and

(ii) proceeds from disposal of biological assets of RM6.8 million, largely comprising dry cows, across all farms in Malaysia and Australia.

FPE 30 September 2021

Net cash used in investing activities was RM33.1 million in FPE 30 September 2021, which primarily comprised:

(a) purchases of property, plant and equipment of RM29.6 million primarily due to the construction of our Taiping Farm, the expansion of processing facilities at our Muadzam Shah Farm, and our investment in our UPM Farm for the construction of facilities to support the agritourism activities at the farm;

(b) purchases of biological assets of RM8.5 million primarily due to herd expansion in both Malaysia and Australia, in particular our Taiping Farm and Greater Shepparton Farm; and

(c) purchases of intangible assets of RM0.2 million primarily due to ERP implementation in Malaysia,

which was partially offset by:

(i) proceeds from disposal of property, plant and equipment of RM0.5 million primarily in relation to our Kyabram Facility; and

(ii) proceeds from disposal of biological assets of RM4.9 million, largely comprising dry cows, across all our farms in Malaysia and Australia.

Net cash from financing activities

FYE 31 March 2019

Net cash from financing activities was RM40.7 million in FYE 31 March 2019, which primarily comprised:

(a) proceeds from shares issued of RM60.0 million to three of our shareholders for the expansion of our operations in our Muadzam Shah Facility;

(b) net proceeds from bankers' acceptances of RM3.1 million primarily to finance the trade purchase of raw materials and packaging materials; and

(c) capital contributed by a minority shareholder of RM2.1 million primarily for working capital for our operations in Australia,

which was partially offset by:

(i) payment of interest charges of RM3.6 million;

(ii) repayment of term loans of RM3.4 million;

(iii) redemption of redeemable convertible cumulative preference shares of RM13.2 million from an existing shareholder of the Company;

(iv) redemption of hire purchase liabilities of RM3.4 million;

(v) repayment to a minority shareholder of RM0.7 million in respect of the previous contribution made by the minority shareholder; and

(vi) repayment of lease liabilities of RM0.2 million.

FYE 31 March 2020

Net cash from financing activities was RM64.8 million in FYE 31 March 2020, which primarily comprised:

(a) drawdown of term loan of RM18.7 million primarily for working capital for our operations in Australia;

(b) net proceeds from bankers' acceptances of RM30.4 million primarily to finance the trade purchase of raw materials and packaging materials;

(c) capital contributed by a minority shareholder of RM3.4 million for the expansion of our operations in Australia; and

(d) loan from a shareholder of RM30.0 million for the acquisition of the IXL fruit jam and Taylors' sauces brands and our Kyabram Facility,

which was partially offset by:

(i) payment of interest charges of RM5.3 million;

(ii) repayment of term loans of RM5.2 million;

(iii) repayment of hire purchase liabilities of RM6.9 million; and

(iv) repayment of lease liabilities of RM0.3 million.

FYE 31 March 2021

Net cash from financing activities was RM24.5 million in FYE 31 March 2021, which primarily comprised:

(a) drawdown of term loan of RM21.9 million to partially finance the expansion of our operations in Australia and for working capital for our operations in Australia;

(b) net proceeds from bankers' acceptances of RM23.1 million primarily to finance the purchase of raw materials and packaging materials;

(c) net proceeds from revolving credits of RM4.1 million;

(d) net proceeds from short-term financing of RM1.0 million; and

(e) capital contributed by a minority shareholder of RM0.4 million primarily for working capital for our Australia operations,

which was partially offset by:

(i) payment of interest charges of RM6.8 million;

(ii) repayment of term loans of RM8.8 million;

(iii) repayment of hire purchase liabilities of RM9.9 million; and

(iv) repayment of lease liabilities of RM0.5 million.

FPE 30 September 2021

Net cash from financing activities was RM45.9 million in FPE 30 September 2021, which primarily comprised the Sukuk Issue of RM200.0 million in May 2021, which was utilised to refinance the following:

(i) payment of interest charges of RM3.1 million;

(ii) repayment of term loans of RM43.0 million;

(iii) repayment of shareholder loan of RM34.0 million;

(iv) repayment of bankers' acceptances of RM34.0 million;

(v) repayment of hire purchase liabilities of RM34.6 million;

(vi) repayment of revolving credits of RM4.1 million;

(vii) repayment of short-term financing of RM0.9 million; and

(viii) repayment of lease liabilities of RM0.4 million.

12.2.10 **Borrowings**

As at 30 September 2021, we had total outstanding loans and borrowings and lease liabilities of RM284.2 million. The table below sets out our loans and borrowings and lease liabilities as at 30 September 2021.

	Contractual interest rate/ coupon/ discount rate	**RM'000**
Non-current		
Unsecured:		
Sukuk	3.72%	200,000
Lease liabilities	4.21% - 5.00%	6,344
Secured:		
Hire purchase liabilities	1.96% - 5.33%	16,943
Term loans	2.66% - 5.60%	23,506
		246,793
Current		
Unsecured:		
Sukuk	3.72%	2,548
Lease liabilities	4.21% - 5.00%	842
Secured:		
Hire purchase liabilities	1.96% - 5.33%	4,964
Short term financing	5.50%	164
Term loans	2.66% - 5.60%	1,267
Bankers' acceptances	1.74% - 3.11%	27,598
		37,383
Total loans and borrowings and lease and liabilities		**284,176**

Our secured borrowings are secured by legal charges over certain property and guaranteed by certain Directors of our Group. As at the date of this Prospectus, the relevant financial institutions have agreed to discharge these guarantees.

The maturity profile of our loans and borrowings and lease liabilities as at 30 September 2021 is set out below:

	On demand or within one year	**One to five years**	**Over five years**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Sukuk	2,548	200,000	-	202,548
Hire purchase liabilities	4,964	16,943	-	21,907
Short term financing	164	-	-	164
Term loans	1,267	20,946	2,560	24,773
Bankers' acceptances	27,598	-	-	27,598
Lease liabilities	842	2,026	4,318	7,186
Total loans and borrowings and lease and liabilities	**37,383**	**239,915**	**6,878**	**284,176**

As at 30 September 2021, our outstanding loans and borrowings and lease liabilities are denominated in RM and AUD. Our outstanding loans and borrowings have floating interest rate terms, and the average effective interest rate is 3.49%. Our outstanding lease liabilities have fixed interest rate terms.

In addition, certain of our borrowings are subject to the following covenants:

(i) debt-to to-equity ratio of our Group shall not exceed 1.0 time.

(ii) debt-to-capitalisation ratio of our Australian subsidiaries shall not exceed 0.5 time; and

(iii) EBITDA interest coverage ratio of our Australian subsidiaries shall not exceed 3.5 time.

Our Australian subsidiaries were in breach of the debt-to-capitalisation ratio covenant and we have received a waiver from the bank on 30 September 2021 in respect of this covenant.

We have established a Sukuk of RM1.0 billion in nominal value on 18 May 2021, pursuant to which we had on 28 May 2021, issued a RM 200 million Sukuk with a maturity date of 28 May 2026 (the "**Sukuk Issue**"), at a profit rate of 3.72% per annum and payable semi-annually.

For more information on our loans and borrowings and lease liabilities, see Notes 13 and 23.5 to the Accountants' Report in Section 13 of this Prospectus.

We have not defaulted on interest or profit rate payments or principal amounts on any of our borrowings for FYE 31 March 2019, FYE 31 March 2020, FYE 31 March 2021, FPE 30 September 2021 and up to the LPD. As at the LPD, we are not in breach of any terms and conditions or covenants associated with our borrowings which can materially affect our financial position and results or business operations, or the investments in our Shares.

12.2.11 Key financial ratios

The following table sets out certain of our key financial ratios for the financial years/periods indicated:

	FYE 31 March			FPE 30 September
	2019	2020	2021	2021
Average trade receivables turnover (days)(1)	57	58	52	56
Average trade payables turnover (days)(2)	37	29	30	35
Average inventory turnover (days)(3)	57	57	76	96
Current ratio (times)(4)	1.34	1.18	0.79	1.69
Gearing ratio (times)(5)	0.39	0.78	1.03	1.00
Net gearing ratio (times)(6)	0.37	0.74	0.98	0.79

Notes:

(1) Computed as an average of the opening and closing trade receivables for the financial year/period divided by revenue during the financial year/period, multiplied by the number of days in the financial year/period.

(2) Computed as an average of the opening and closing trade payables for the financial year/period divided by the sum of the change in inventory and purchases of inventories during the financial year/period, multiplied by the number of days in the financial year/period.

(3) Computed as an average of the opening and closing finished goods for the financial year/period divided by the sum of change in closing inventories and purchases of inventories during the financial year/period, multiplied by the number of days in the financial year/period.

(4) Computed as current assets over current liabilities.

(5) Computed based on total loans and borrowings (including lease liabilities) over total equity as at the end of the year/period.

(6) Computed based on total loans and borrowings (including lease liabilities), net of cash and cash equivalents, over total equity as at the end of the year/period.

(i) **Trade receivables**

The credit period that we typically extend to our customers ranges from seven to 75 days from the invoice date or month-end date. We assess and approve other credit terms on a case by case basis depending on, among others, the financial position and credit history of the customer. Our average trade receivables turnover for FYE 31 March 2019, 31 March 2020 and 31 March 2021 and FPE 30 September 2021 have remained within the normal credit terms that we extend to our customers.

Our average trade receivables turnover days has remained constant from 57 days for FYE 31 March 2019 to 58 days for FYE 31 March 2020.

Our average trade receivables turnover days has improved from 58 days for FYE 31 March 2020 to 52 days for FYE 31 March 2021 primarily due to better credit control with our customers and higher sales to stockists (14 day credit period).

Our average trade receivables turnover days increased from 52 days for FYE 31 March 2021 to 56 days for FPE 30 September 2021 primarily due to the lower amount of proportion of sales from stockists which carry a lower credit period of 14 days.

The aging analysis for trade receivables as at 30 September 2021 is as follows:

		Past due				
	Current	**1-30 days**	**31-60 days**	**61-90 days**	**More than 90 days**	**Total**
	RM'000 except percentages					
Trade receivables	61,703	14,930	1,811	132	615	79,191
Impairment	-	-	-	-	(196)	(196)
Trade receivables (net) as at 30 September 2021	61,703	14,930	1,811	132	419	78,995
% of total trade receivables	78.1	18.9	2.3	0.2	0.5	100.0
As at the LPD:						
- Trade receivables collected / (% of trade receivables (net))	61,502	14,850	1,694	99	143	78,288
- Trade receivables outstanding (net)	201	80	117	33	276	707

(ii) **Trade payables**

The normal credit period given by our trade creditors is generally between 30 to 60 days and our average trade payables turnover for FYE 31 March 2019, 31 March 2020 and 31 March 2021 and FPE 30 September 2021 have remained within the normal credit period that our trade creditors extend to us.

Our average trade payables turnover decreased from 37 days for FYE 31 March 2019 to 29 days for FYE 31 March 2020 primarily due to a higher proportion of our creditors that have a 30 days credit period.

Our average trade payables turnover increased slightly from 29 days for FYE 31 March 2020 to 30 days for FYE 31 March 2021.

Our average trade payables turnover increased from 30 days for FYE 31 March 2021 to 35 days for FPE 30 September 2021 primarily due to a higher proportion of creditors that have a credit period of more than 30 days.

The aging analysis for trade payables as at 30 September 2021 and the trade payables settled and outstanding as at the LPD are as follows:

		Past due				
	Current	1-30 days	31-60 days	61-90 days	More than 90 days	Total
	RM'000, except percentages					
Trade payables as at 30 September 2021	22,128	7,968	3,432	1,704	397	35,629
% of total trade payables	62.1	22.4	9.6	4.8	1.1	100.0
As at the LPD:						
- Trade payables settled / (% of trade payables)	22,128	7,968	3,432	1,704	311	35,543
- Trade payables outstanding	-	-	-	-	86	86

(iii) **Inventories**

The table below sets out a summary breakdown of our inventories for the financial years/periods indicated:

	FYE 31 March			FPE 30 September
	2019	2020	2021	2021
	RM'000			RM'000
Opening inventory	9,145	29,700	40,156	105,035
Closing inventory	29,700	40,156	105,035	95,974
Average inventory turnover (days)[(1)]	57	57	76	96

Note:

(1) Computed as an average of the opening and closing inventory for the financial year/period divided by the cost of sales during the financial year/period, multiplied by the number of days in the financial year/period.

Our inventory consists primarily of feed, raw materials such as milk and ingredients, packaging materials and finished products.

Our average inventory turnover period remained constant at 57 days for FYE 31 March 2019 and FYE 31 March 2020.

Our average inventory turnover period increased from 57 days for FYE 31 March 2020 to 76 days for FYE 31 March 2021 primarily due to (i) higher proportion of packaging materials and ingredients kept as a buffer to take into account increased demand during the Ramadan season in Malaysia, (ii) the timing of the Ramadan season being closer to our FYE 31 March 2021 this year as compared to the previous year, and (iii) higher levels of inventory kept in Henry Jones Foods due to the higher sales.

Our average inventory turnover period increased from 76 days for FYE 31 March 2021 to 96 days for FPE 30 September 2021 primarily due to (i) higher levels of inventory kept due to higher sales, (ii) higher proportion of ingredients kept as a buffer due to the global freight uncertainties which has resulted in delays in shipments globally, and (iii) the lower opening inventory as at 1 April 2020.

(iv) **Current ratio**

Our current ratio remained relatively constant at 1.34 times as at 31 March 2019 and 1.18 times as at 31 March 2020.

Our current ratio decreased from 1.18 times as at 31 March 2020 to 0.79 times as at 31 March 2021 primarily due to:

(i) a higher proportion of borrowings (including the reclassification of loan from a shareholder of RM34,012,603 to current liabilities) falling due within 1 year. All outstanding amounts owing under the shareholder loan have subsequently been repaid using the proceeds from the Sukuk issuance after 31 March 2021; and

(ii) the recognition in FYE 31 March 2021 of the Additional Tax Liability RM25,708,582 for YA 2014 to YA 2020, and tax liability of RM10,490,033 for YA 2021, each in relation to the Tax Issue.

Our current ratio increased from 0.79 times as at 31 March 2021 to 1.57 times as at 30 September 2021 primarily due to the Sukuk Issue and the refinancing of current shareholder loan, term loans and hire purchase liabilities with the proceeds from the Sukuk Issue.

(v) **Gearing ratio**

Our gearing ratio increased from 0.39 times as at 31 March 2019 to 0.78 times as at 31 March 2020 primarily due to the increase in borrowings incurred to fund the expansion of our farm and manufacturing operations which includes the acquisition of our Kyabram Facility, development of our Muadzam Shah Farm and Muadzam Shah Facility, including the installation of milking rotary systems, aseptic tank and Tetra Pak filling line.

Our gearing ratio increased from 0.78 times as at 31 March 2020 to 1.03 times as at 31 March 2021 primarily due to the increase in borrowings to fund the expansion of our farm and manufacturing operations which includes the setting up of our Kyabram Facility, the use of hire purchase facilities to finance the expansion of our Muadzam Shah Facility, increased utilisation of bankers' acceptances to finance the trade purchase of raw and packaging materials and utilisation of revolving credit facilities to finance the purchase of biological assets.

Our gearing ratio has decreased from 1.03 times as at 31 March 2021 to 1.00 times for FPE 30 September 2021 due to the increase in retained earnings arising from the profitability of the Group and paring down of certain borrowings including shareholder loan, term loans and hire purchase liabilities following the Sukuk Issue.

(vi) **Net gearing ratio**

Our net gearing ratio increased from 0.37 times as at 31 March 2019 to 0.74 times as at 31 March 2020 and further increased to 0.98 times as at 31 March 2021 before reducing to 0.79 times as at 30 September 2021, primarily due to significant increase in cash and cash equivalents balance by RM47.9 million resulting from the Sukuk Issue.

12.2.12 Capital expenditure and material investments and divestments

Capital expenditure

The following table sets out our historical capital expenditures for the financial years/periods indicated:

	FYE 31 March			FPE 30 September	
	2019	2020	2021	2020	2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Land and buildings	1,069	6,929	6,998	-	-
Farm barn, building and electrical installation	11,847	16,350	12,630	4,382	14,177
Milk plant, machinery, tools and equipment	26,850	30,861	82,213	12,123	6,252
Office and shop equipment	1,378	945	1,288	418	553
Motor vehicles	2,487	2,738	2,921	725	405
Capital work-in-progress	1,018	20,981	12,835	44,528	8,254
Current year's addition	**44,649**	**78,804**	**118,885**	**62,176**	**29,641**
Less: Property, plant and equipment acquired from hire purchase liabilities	(5,940)	(16,959)	(43,791)	(11,528)	-
Total	**38,709**	**61,845**	**75,094**	**50,648**	**29,641**

The majority of our capital expenditures were incurred in connection with the construction of our farms and processing facilities. Our capital expenditure increased by 76.7% from RM44.6 million for FYE 31 March 2019 to RM78.8 million for FYE 31 March 2020 primarily due to the (i) RM15.0 million to establish our Kyabram Facility, (ii) RM7.6 million for our farms in Australia, (iii) RM23.1 million for our Muadzam Farm, Mawai Farm, Desaru Farm and UPM Farm in Malaysia, (iv) RM20.65 million for our Muadzam Shah Facility including new processing lines, and (v) RM9.4 million for our Larkin Facility including new processing lines.

Our capital expenditure increased by 50.9% from RM78.8 million for FYE 31 March 2020 to RM118.9 million for FYE 31 March 2021. Our capital expenditure for FYE 31 March 2021 primarily comprised (i) RM51.4 million to establish our Kyabram Facility, (ii) RM7.4 million for our farms in Australia, (iii) RM26.7 million for the upgrade and building extension of our Muadzam Shah Facility and the addition of processing and filling lines, (iv) RM13.1 million for the expansion of our Larkin Facility including the warehouse, (v) RM11.8 million for our Muadzam Farm, Mawai Farm, Desaru Farm and UPM Farm in Malaysia, and (vi) RM8.4 million for our new Taiping Farm.

Our capital expenditure decreased by 60.5% from RM62.2 million for FPE 30 September 2020 to RM29.6 million for FPE 30 September 2021 primarily due to the setting up of our Kyabram Facility in FPE 30 September 2020.

The following table sets out our planned capital expenditures for the financial years indicated:

	FYE 31 March	
	2022	2023
	RM'000	RM'000
Land and buildings	-	55,000
Farm barn, buildings and electrical installation	14,000	18,000
Milk plant, machineries, tools and equipment	32,754	117,000
Total	**46,754**	**190,000**

We have budgeted RM136.5 million, RM75.3 million, RM12.5 million and RM12.5 million for capital expenditure in Malaysia, Australia, Indonesia and Philippines respectively, in the next two years. In the next two years, we expect to allocate (a) approximately 19.0% of our capital expenditure to the establishment of a new manufacturing hub, and new fairy farm and integrated processing facility in Malaysia, (b) approximately 25.3% of our capital expenditure for the expansion of our production facility in Australia, and (c) approximately 10.6% of our capital expenditure for regional expansion outside of Malaysia.

Our planned capital expenditure comprises land and buildings, farm barn, buildings and electrical installation and milk plant, machinery, tools and equipment. For FYE 31 March 2022, we plan to spend RM12.0 million for our Taiping Farm, RM2.0 million for the establishment of a new dairy farm, RM12.0 million for the Taiping Facility, RM10.0 million for the expansion of manufacturing capacity for the production of UHT/ambient products at our Kyabram Facility, and RM5.3 million for upgrading our industrial process room to manufacture fruit prep at our Kyabram Facility to fulfil a co-manufacturing contract with a large multinational food company, RM5 million capacity expansion for the Muadzam Shah Facility, and RM0.5 million to complete the establishment of the UPM facility.

For FYE 31 March 2023, we plan to spend RM30.0 million for land acquisition, RM15.0 million for building construction, RM18.0 million and RM10.0 million for the construction of a new dairy farm and a new processing facility in East Malaysia, RM12.0 million for constructing the Taiping Facility, RM20.0 million and RM60.0 million for the expansion of manufacturing capacity for the production of UHT products at our Muadzam Shah Facility and Kyabram Facility, respectively, and RM25.0 million for the expansion of our dairy business in Indonesia and the Philippines.

Our actual capital expenditures may vary from projected amounts due to various factors, including changes in market conditions, our ability to obtain adequate financing for these planned capital expenditures, government policies regarding the industry in which we operate as well as the condition of the markets in which we operate and the global economy. In addition, our planned capital expenditures do not include any expenditure for potential acquisitions or investments that we may evaluate from time to time. We intend to fund these planned capital expenditures with cash and cash equivalents, cash generated from our operations and financing activities and, to the extent described in Section 4 of this Prospectus, the proceeds from the Public Issue.

Material investments and divestitures

We selectively evaluate opportunities to expand our business and to enter new markets. In addition, we may decide to divest certain entities and businesses for strategic or financial reasons.

Save as disclosed in Sections 12.2.12 and 14.6 of this Prospectus, we have not undertaken any material investments or divestitures during FYE 31 March 2019, 31 March 2020 and 31 March 2021, FPE 30 September 2021 and up to the LPD.

12.2.13 Capital commitments and other contractual obligations

Capital commitments

Our capital commitments (being our contracted capital expenditures) as at 30 September 2021 and the LPD are set out below:

	30 September 2021	LPD
	RM'000	RM'000
Property, plant and equipment		
Contracted but not provided for	7,310	446
Intangible assets		
Contracted but not provided for	331	142
Total	**7,641**	**588**

Our contracted but not provided for capital commitments as at the LPD primarily comprise RM0.1 million for a robotic palletising system, RM0.1 million for a fire alarm system and capping machine at our Larkin Facility, RM0.1 million for a wastewater treatment plant, RM0.1 million for ground water tube well drilling and construction and RM0.1 million for a new ERP system.

We expect to meet our planned capital commitments through our cash and cash equivalents, cash generated from our operations and financing activities and, to the extent described in Section 4 of this Prospectus, the proceeds from the Public Issue.

Save as disclosed above, as at the LPD, we do not have any other material capital commitments incurred or known to be incurred by us that may have a material adverse impact on our results of operations or financial position. As disclosed in Section 12.2.21 of this Prospectus, on 8 February 2022, we entered into an agreement to acquire a farm property at McEwan Road in Kyabram, Victoria, Australia with a size of approximately 300 acres for a purchase consideration of AUD3.5 million. The completion of the acquisition of the farm property is conditional on us obtaining approval from the FIRB. We do not expect to experience any interruption to our business that may cause a significant effect on our operations arising from the acquisition of the new farm and potential disposal of our Group's farm at Echuca Road (if any).

Other contractual obligations

Our non-cancellable operating leases as at 30 September 2021 and the LPD are nil.

12.2.14 Contingent liabilities

As at the LPD, we do not have any contingent liabilities that, upon becoming enforceable, may have a material adverse effect on our results of operations or financial position.

12.2.15 Off-balance sheet arrangements

We did not have any off-balance sheet arrangements during FYE 31 March 2019, 31 March 2020 and 31 March 2021 and FPE 30 September 2021.

12.2.16 Financial risk management

We are exposed to markets risks arising from our operations and use of financial instruments. Our overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on our financial performance.

(i) **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. We are exposed to foreign currency risk on sales and purchases that are denominated in a currency other than RM. The currencies giving rise to this risk are primarily USD, SGD, EUR, AUD and NZD.

Transactions in foreign currencies are measured and recorded on initial recognition in RM at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions.

We currently hedge 50% of our fresh milk purchase from Australia using forward contracts. We also monitor foreign exchange exposure on an on-going basis and endeavour to keep net exposures to an acceptable level. If determined as necessary due to prevailing and anticipated conditions, we may enter into additional forward foreign exchange contracts to hedge foreign currency risk.

The table below demonstrates the sensitivity of our PAT to a 10% strengthening of RM against the following currencies. analysis is based on foreign currency exchange rate variances that we considered to be reasonably possible at the end of the reporting year. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted shares and purchases:

	As at 31 March			As at 30 September
	2019	2020	2021	2021
	RM'000	RM'000	RM'000	RM'000
Effects on PAT				
USD	33	59	(60)	(1)
SGD	(288)	(264)	(204)	(245)
EUR	79	91	23	12
AUZ	70	105	80	79
NZD	-	-	98	-

A 10% weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

(ii) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market interest rates. Our investments in fixed rate deposits and borrowings are exposed to a risk of change in their fair value due to changes in market interest rates. Our exposure to interest rate risk also arise from our variable interest-bearing borrowings.

Our fixed rate receivables, borrowings and fixed deposits with licensed banks are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Our policy is to obtain the most favourable interest rates available. We monitor interest rate exposure on an on-going basis and endeavour to keep net exposures to an acceptable level.

The table below demonstrates the sensitivity of our PAT to a 100 basis point change in interest rates as at the end of the reporting period, with all other variables, in particular foreign currency rates, held constant:

	Profit or loss	
	100 bp increase	100 bp decrease
	RM'000	RM'000
FYE 31 March 2019		
Floating rate instruments	(130)	130
FYE 31 March 2020		
Floating rate instruments	(322)	322
FYE 31 March 2021		
Floating rate instruments	(579)	579
FPE 30 September 2021		
Floating rate instruments	(339)	339

(iii) **Credit risk**

Credit risk is the risk of loss if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. Our exposure to credit risk arises mainly from our receivables from customers. We have a credit policy in place and manage our exposure to credit risk by the application of credit evaluations on customers requiring credit over a certain amount, credit limits and monitoring exposure to credit risk on an ongoing basis.

As at 30 September 2021, we do not expect to incur material credit losses on our financial assets or other financial instruments.

(iv) **Liquidity risk**

Liquidity risk is the risk that we will encounter difficulty in meeting financial obligations as they fall due. Our exposure to liquidity risk arises principally from our various payables, loans and borrowings.

We practise prudent risk management by maintaining a level of cash and cash equivalents and bank facilities deemed adequate by our management to ensure, as far as possible, that we will have sufficient liquidity to meet our liabilities when they fall due.

As at 30 September 2021, we had RM37.4 million in undiscounted financial liabilities due on demand or within one year. See Section 12.2.10 of this Prospectus for more details.

See Note 23.5 to the Accountants' Report included in Section 13 of this Prospectus for a summary of the maturity profile of our financial liabilities and lease liabilities as at the end of FYE 31 March 2019, FYE 31 March 2020, FYE 31 March 2021 and FPE 30 September 2021 based on undiscounted contractual payments.

12.2.17 Seasonality

See Section 7.11 of this Prospectus for details on the seasonality of our business.

12.2.18 Inflation

Inflation has not had a material impact on our results of operations in recent years.

12.2.19 Order book

Due to the nature of our business, we do not maintain an order book. See Section 7 of this Prospectus for further information on the nature of our business.

12.2.20 Trends information

Save as disclosed in this section and in Sections 5, 7 and 8 of this Prospectus, and to the best of our Board's knowledge and belief, there are no other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our financial condition and results of operations.

12.2.21 Significant changes

Save as disclosed elsewhere in this Prospectus, no significant changes have occurred which may have a material effect on our financial position and results of operations since FPE 30 September 2021.

On 8 February 2022, we entered into an agreement to acquire a farm property at McEwan Road in Kyabram, Victoria, Australia, with a size of approximately 300 acres for a purchase consideration of AUD3.5 million. The completion of the acquisition of the farm property is conditional on us obtaining approval from the FIRB. We do not expect to experience any interruption to our business that may cause a significant effect on our operations arising from the acquisition of the new farm and potential disposal of our Group's farm at Echuca Road (if any).

12.2.22 Impact of government, economics, fiscal and monetary policies

We are subject to the risks of government, economic, fiscal or monetary policies, where any unfavourable change may materially affect our business operations, financial performance and prospects.

For the FYE 31 March 2019, 31 March 2020 and 31 March 2021, FPE 30 September 2021 and up to the LPD, our results were not materially adversely affected by any unfavourable changes relating to government, economic, fiscal or monetary policies.

For information on any government, economic, fiscal or monetary policies or factors which could materially affect our operations, see Section 5 of this Prospectus.

12.2.23 Accounting standards issued but not yet effective and not early adopted

For a description of accounting standards issued but not yet effective and not early adopted, see Section 12.2.4 of this Prospectus and Note 1(a) to the Accountants' Report included in Section 13 of this Prospectus.

12.2.24 Accounting policies which are peculiar to our Group

We have not adopted any accounting policies which are peculiar to our Group because of the nature of our business or the industry in which we operate.

12.2.25 Treasury policies and objectives

One of the main treasury responsibilities is to ensure that we have the liquidity and cash to meet our obligations as they fall due. Our principal sources of liquidity are our cash and bank balances, cash generated from our operations and borrowings from financial institutions. Using appropriate governance and policies, it is the responsibility of treasury to identify, quantify, monitor and control the risks (liquidity, interest, currency, credit, legal and regulatory) associated with these activities, using appropriate mitigation and hedging techniques. We also endeavour to attain a relatively risk-free return from our excess cash balances by depositing our balances in certain money market funds, all of which are 100% deposit funds with high liquidity and tax exempted returns.

We are exposed to currency exchange risk on sales and purchases that are denominated in currencies other than RM. The currencies giving rise to this risk are primarily USD, SGD, EUR and AUD.

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12.3 CAPITALISATION AND INDEBTEDNESS

The table below presents our consolidated capitalisation and indebtedness as at 31 December 2021 and on the assumption that our IPO, Listing and the use of proceeds from the Public Issue as set out in Section 4.6 of this Prospectus had occurred on 31 December 2021.

The pro forma financial information below does not represent our actual capitalisation and indebtedness as at 31 December 2021 and is provided for illustrative purposes only.

	As at 31 December 2021		After our IPO, Listing and Use of Proceeds
	Unaudited	Adjustments	Unaudited
	RM'000	RM'000	RM'000
Indebtedness			
Loans, borrowings and finance lease			
Current			
Unsecured and unguaranteed			
Sukuk	652	-	652
Lease liabilities	1,056	-	1,056
Secured and guaranteed			
Bankers' acceptances[(1)]	5,642	-	5,642
Secured and unguaranteed			
Term loans	1,642	-	1,642
Hire purchase liabilities	5,052	-	5,052
Bankers' acceptances	35,611	-	35,611
Short term financing	1,402	-	1,402
Non-current			
Unsecured and unguaranteed			
Sukuk	200,000	-	200,000
Lease liabilities	5,974	-	5,974
Secured and unguaranteed			
Hire purchase liabilities	15,889	-	15,889
Term loans	16,879	-	16,879
Total indebtedness	**289,799**	-	**289,799**
Equity attributable to owners of the Company	**289,850**	**288,442**	**578,292**
Non-controlling interests	**5,206**	**-**	**5,206**
Total equity	**295,056**	**288,442**	**583,498**
Total capitalisation and indebtedness	**584,855**	**288,442**	**873,297**

Note:

(1) Joint and several guarantee by the Directors.

12.4 DIVIDEND POLICY

No inference should be made from any of the foregoing statements as to our actual future profitability or our ability to pay dividends in the future.

The actual dividend that our Board may recommend or declare in any particular financial year or period will be subject to the factors outlined below as well as any other factors deemed relevant by our Board. In considering the level of dividend payments, if any, upon recommendation by our Board, we intend to consider various factors including:

(i) the level of our cash, gearing, debt profile, return on equity and retained earnings;

(ii) our expected financial performance;

(iii) our projected levels of capital expenditure and other growth/investment plans;

(iv) applicable restrictive covenants under our financing documents; and

(v) our working capital requirements.

As our Company is a holding company, our income and therefore, our ability to pay dividends is dependent upon the dividends that we receive from our subsidiaries, joint ventures and associated company. Distributions by our subsidiaries will depend upon their operating results, earnings, capital requirements, general financial condition and other relevant factors such as exchange controls.

We target a payout ratio of approximately 25% of our net profit of each fiscal year on a consolidated basis after taking into account working capital and maintenance capital requirements, subject to the confirmation of our Board as well as any applicable law, licence conditions and contractual obligations and provided that such distribution will not be detrimental to our Group's cash requirements or any plans approved by our Board.

Save for certain borrowing restrictive covenants which our Group is subject to, there are no dividend restrictions imposed on our subsidiaries as at the LPD.

Investors should note that this dividend policy merely describes our present intention and shall not constitute legally binding statements in respect of our future dividends which are subject to modification (including non-declaration thereof) at our Board's discretion. We cannot assure you that we will be able to pay dividends or that our Board will declare dividends in the future. There can also be no assurance that future dividends declared by our Board, if any, will not differ materially from historical dividend levels. See Section 5 of this Prospectus for the factors which may affect or restrict our ability to pay dividends.

We have not declared or paid dividends to our shareholders for the past three financial years and up to the LPD.

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12.5 REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

KPMG

KPMG PLT
(LLP0010081-LCA & AF 0758)
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The Board of Directors
Farm Fresh Berhad
(formerly known as The Holstein Milk Company Sdn. Bhd.)
No. 11-1, Jalan Petaling,
Kawasan Perindustrian Larkin,
80350 Johor Bahru
Johor

11 February 2022

Dear Sirs

Farm Fresh Berhad (formerly known as The Holstein Milk Company Sdn. Bhd.) (the "Company") and its subsidiaries (the "Group")

Report on the compilation of pro forma consolidated statements of financial position for inclusion in the Company's prospectus in connection with the initial public offering of up to 222,954,700 ordinary shares in the Company in conjunction with the listing of and quotation for the entire enlarged issued share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad ("Prospectus") ("IPO")

We have completed our assurance engagement to report on the compilation of the pro forma consolidated statements of financial position of the Group as at 30 September 2021 ("Pro Forma Financial Position") prepared by the Board of Directors of the Company (the "Directors"). The Pro Forma Financial Position and related notes as set out in Attachment A, have been stamped by us for identification purposes. The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Position are described in the notes to the Pro Forma Financial Position. The Pro Forma Financial Position is prepared in accordance with the requirements of Chapter 9 of the Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines") and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

The Pro Forma Financial Position has been compiled by the Directors for inclusion in the Prospectus solely to illustrate the impact of the transactions as set out in the notes to the Pro Forma Financial Position in Attachment A on the Group's consolidated statement of financial position as at 30 September 2021, as if the transactions had taken place as at 30 September 2021. As part of this process, information about the Group's consolidated financial position has been extracted by the Directors from the audited consolidated financial statements for the period ended 30 September 2021, on which an audit report dated 5 January 2022 has been issued.

Directors' Responsibility for the Pro Forma Financial Position

The Directors are responsible for compiling the Pro Forma Financial Position on the basis described in the notes to the Pro Forma Financial Position in Attachment A as required by the Prospectus Guidelines.

Reporting Accountants' Independence and Quality Control

We have complied with the independence and other ethical requirement of the *By-Laws (on Professional Ethics, Conduct and Practice)* issued by the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC 1), *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* issued by the Malaysian Institute of Accountants and, accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion as required by the Prospectus Guidelines about whether the Pro Forma Financial Position has been compiled, in all material respects, by the Directors on the basis described in the notes to the Pro Forma Financial Position in Attachment A.

We conducted our engagement in accordance with International Standard on Assurance Engagement (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Financial Position on the basis described in the notes to the Pro Forma Financial Position in Attachment A.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Position.

Reporting Accountants' Responsibilities (continued)

The purpose of the Pro Forma Financial Position included in the Prospectus is solely to illustrate the impact of significant events or transactions on unadjusted financial information of the Group as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Position have been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and

- the Pro Forma Financial Position reflect the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the Pro Forma Financial Position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Pro Forma Financial Position has been compiled, in all material respects, on the basis described in the notes to the Pro Forma Financial Position in Attachment A.

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Other Matters

Our report on the Pro Forma Financial Position has been prepared for inclusion in the Prospectus in connection with the IPO and should not be relied upon for any other purposes.

KPMG PLT	**Tan Teck Eng**
LLP0010081-LCA & AF 0758	Approval Number: 02986/05/2022 J
Chartered Accountants	Chartered Accountant

Attachment A

Farm Fresh Berhad (formerly known as The Holstein Milk Company Sdn. Bhd.) (the "Company") and its subsidiaries (the "Group")
Pro Forma Consolidated Statements of Financial Position and the notes thereon

Pro Forma Consolidated Statements of Financial Position

The pro forma consolidated statements of financial position of the Group as at 30 September 2021 ("Pro Forma Financial Position") as set out below have been prepared for illustrative purposes only to show the effects of the transactions referred to in Note 2 had these transactions been effected on 30 September 2021, and should be read in conjunction with the said notes to the Pro Forma Financial Position.

		Pro Forma I	Pro Forma II	Pro Forma III
	As at 30 September 2021* RM'000	**After the Pre-IPO Exercise RM'000**	**After Pro Forma I and the IPO RM'000**	**After Pro Forma II and the use of proceeds RM'000**
Assets				
Property, plant and equipment	317,409	317,409	317,409	317,409
Right-of-use assets	15,637	15,637	15,637	15,637
Biological assets	82,045	82,045	82,045	82,045
Intangible assets	19,140	19,140	19,140	19,140
Trade and other receivables	899	899	899	899
Deferred tax assets	10,774	10,774	10,774	10,774
Total non-current assets	445,904	445,904	445,904	445,904
Inventories	95,974	95,974	95,974	95,974
Trade and other receivable	88,122	88,122	88,122	88,122
Current tax assets	3	3	3	3
Cash and cash equivalents	59,628	59,628	360,617	342,988
	243,727	243,727	544,716	527,087
Total assets	689,631	689,631	990,620	972,991

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Attachment A

Farm Fresh Berhad (formerly known as The Holstein Milk Company Sdn. Bhd.) (the "Company") and its subsidiaries (the "Group")
Pro Forma Consolidated Statements of Financial Position and the notes thereon

	As at 30 September 2021*	Pro Forma I After the Pre-IPO Exercise	Pro Forma II After Pro Forma I and the IPO	Pro Forma III After Pro Forma II and the use of proceeds
	RM'000	RM'000	RM'000	RM'000
Equity				
Share capital	87,780	87,780	388,769	380,742
Reserves	(3,420)	(3,420)	(3,420)	(3,420)
Retained earnings	193,582	193,582	193,582	186,190
Equity attributable to owners of the Company	277,942	277,942	578,931	563,512
Non-controlling interests	4,900	4,900	4,900	4,900
Total equity	282,842	282,842	583,831	568,412
Liabilities				
Loans and borrowings	240,449	240,449	240,449	240,449
Lease liabilities	6,344	6,344	6,344	6,344
Deferred income	6,632	6,632	6,632	6,632
Deferred tax liabilities	9,041	9,041	9,041	9,041
Total non-current liabilities	262,466	262,466	262,466	262,466
Loans and borrowings	36,541	36,541	36,541	36,541
Trade and other payables	80,012	80,012	80,012	77,802
Lease liabilities	842	842	842	842
Deferred income	271	271	271	271
Current tax liabilities	26,657	26,657	26,657	26,657
Total current liabilities	144,323	144,323	144,323	142,113
Total liabilities	406,789	406,789	406,789	404,579
Total equity and liabilities	689,631	689,631	990,620	972,991

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Attachment A

Farm Fresh Berhad (formerly known as The Holstein Milk Company Sdn. Bhd.) (the "Company") and its subsidiaries (the "Group")
Pro Forma Consolidated Statements of Financial Position and the notes thereon

		Pro Forma I	**Pro Forma II**	**Pro Forma III**
	As at 30 September 2021* RM'000	**After the Pre-IPO Exercise RM'000**	**After Pro Forma I and the IPO RM'000**	**After Pro Forma II and the use of proceeds RM'000**
Supplementary information				
Number of ordinary shares ('000)	85,000	1,635,000	1,857,955	1,857,955
Net assets per share attributable to owners of the Company (RM)	3.27	0.17	0.31	0.30

* *Extracted from the Company's audited consolidated financial statements for the financial period ended 30 September 2021.*

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Attachment A

Farm Fresh Berhad (formerly known as The Holstein Milk Company Sdn. Bhd.) (the "Company") and its subsidiaries (the "Group")
Pro Forma Consolidated Statements of Financial Position and the notes thereon

Notes to the Pro Forma Consolidated Statements of Financial Position

The pro forma consolidated statements of financial position of the Group as at 30 September 2021 ("Pro Forma Financial Position") have been prepared for inclusion in the prospectus to be issued by the Company in connection with the initial public offering of up to 743,181,900 ordinary shares in the Company ("IPO") in conjunction with the listing of and quotation for the entire enlarged issued share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Prospectus") ("Listing") and should not be relied upon for any other purposes.

1. Basis of preparation

The applicable criteria on the basis of which the Board of Directors of the Company ("Directors") have compiled the Pro Forma Financial Position are as described below. The Pro Forma Financial Position is prepared in accordance with the requirements of Chapter 9 of the Prospectus Guidelines issued by the Securities Commission Malaysia and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

The Pro Forma Financial Position has been prepared based on the audited consolidated financial statements of the Group for the financial period ended 30 September 2021, which was prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS"), and in a manner consistent with the format of the statement of financial position and the accounting policies adopted by the Group, and as adjusted for the events and transactions as detailed in Note 2.

The pro forma adjustments are appropriate for the purpose of preparing the Pro Forma Financial Position.

The auditors' report dated 5 January 2022 on the Group's audited consolidated financial statements for the financial period ended 30 September 2021 were not subject to any qualification, modification or disclaimer of opinion.

The Pro Forma Financial Position is not necessarily indicative of the financial position that would have been attained had the IPO actually occurred at the respective dates. The Pro Forma Financial Position have been prepared for illustrative purposes only.

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Attachment A

Farm Fresh Berhad (formerly known as The Holstein Milk Company Sdn. Bhd.) (the "Company") and its subsidiaries (the "Group")
Pro Forma Consolidated Statements of Financial Position and the notes thereon

2. Pro forma adjustments to the Pro Forma Financial Position

The Pro Forma Financial Position illustrates the effects of the following events or transactions:

2.1 Pre-IPO Exercise

The Pre-IPO Exercise entails a bonus issue of 1,550,000,138 new ordinary shares in the Company for the purpose of increasing the number of issued shares in the Company in order to facilitate the IPO and Listing ("Bonus Issue").

2.2 IPO

The IPO entails the initial public offering of up to 743,181,900 ordinary shares in the Company which comprises the following transactions:

2.3.1 Public Issue

The public issue of 222,954,700 new ordinary shares in the Company ("Issue Shares") at an indicative price of RM1.35 per Issue Share.

2.3.2 Offer for Sale

The offer for sale by Rainforest Capital Sdn. Bhd., Farmchoice Foods Sdn. Bhd. and Agrifood Resources Holdings Sdn. Bhd. (collectively referred to as "Selling Shareholders") of up to 520,227,200 ordinary shares in the Company ("Offer Shares") at an indicative price of RM1.35 per Offer Share.

2.3 Use of proceeds

The gross proceeds from the Public Issue of RM300.99 million is intended to be used as follows:

	RM'000
Capital expenditure(1):	
- Establishment of a new manufacturing hub, a new dairy farm and integrated processing facility in Malaysia	140,000
- Expansion of our production facility in Australia	60,000
- Regional expansion outside of Malaysia	40,000
Working capital	40,789
Estimated listing expenses(2)	20,200
	300,989

Notes:

(1) As at the latest practicable date, the Company has yet to enter into any contractual binding arrangements or issued any purchase orders in relation to the above capital expenditure. Accordingly, the use of proceeds earmarked for capital expenditure is not reflected in the Pro Forma Financial Position.

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Attachment A

Farm Fresh Berhad (formerly known as The Holstein Milk Company Sdn. Bhd.) (the "Company") and its subsidiaries (the "Group")
Pro Forma Consolidated Statements of Financial Position and the notes thereon

2. Pro forma adjustments to the Pro Forma Financial Position (continued)

2.3 Use of proceeds (continued)

(2) The estimated listing expenses comprise the following:

	RM'000
Professional fees	*9,300*
Fees to authorities	*1,100*
Brokerage, underwriting and placement fees	*6,700*
Other fees and expenses such as printing, advertising, travel and roadshow expenses incurred in connection with the Public Issue	*1,450*
Miscellaneous expenses and contingencies	*1,650*
	20,200

The total listing expenses to be borne by the Company is estimated to be RM20.2 million. As of 30 September 2021, RM4.8 million has been charged to the profit or loss account of the Group, of which RM2.6 million has been paid.

Out of the balance estimated listing expenses of RM15.4 million, RM8.0 million will be set-off against equity and the remaining RM7.4 million will be charged out to the profit or loss account upon completion of the IPO.

The Company will not receive any proceeds from the Offer for Sale. The gross proceeds of up to RM702.3 million will accrue entirely to the Selling Shareholders.

2.5 Employee's Share Option Scheme ("ESOS")

In conjunction with the Listing, the Company will implement an ESOS and intends to offer up to 37,159,000 ESOS options under the first tranche of the ESOS, representing about 2.0% of the enlarged issued share capital of the Company, to the eligible directors and employees of the Group, who meet the eligibility criteria to participate in the ESOS.

The ESOS is not illustrated in the Pro Forma Financial Position as the ESOS options under the ESOS have yet to be granted as of the date of this report.

3. Effects on the Pro Forma Financial Position

(a) Movement in cash and cash equivalents

	RM'000
Balance as at 30 September 2021 / Pro Forma I	59,628
Effects of Pro Forma II:	
- Proceeds from the Public Issue	300,989
Pro forma II	360,617
Effects of Pro Forma III:	
- Estimated listing expenses	(17,629)
Pro forma III	342,988

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Attachment A

Farm Fresh Berhad (formerly known as The Holstein Milk Company Sdn. Bhd.) (the "Company") and its subsidiaries (the "Group")
Pro Forma Consolidated Statements of Financial Position and the notes thereon

3. Effects on the Pro Forma Financial Position (continued)

(b) Movement in share capital

	RM'000
Balance as at 30 September 2021 / Pro Forma I	87,780
Effects of Pro Forma II:	
- Shares issued under the Public Issue	300,989
Pro forma II	388,769
Effects of Pro Forma III:	
- Estimated listing expenses	(8,027)
Pro forma III	380,742

(c) Movement in retained earnings

	RM'000
Balance as at 30 September 2021 / Pro Forma I and II	193,582
Effects of Pro Forma III:	
- Estimated listing expenses	(7,392)
Pro forma III	186,190

(d) Movement in trade and other payables

	RM'000
Balance as at 30 September 2021 / Pro Forma I and II	80,012
Effects of Pro Forma III:	
- Estimated listing expenses	(2,210)
Pro forma III	77,802

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Farm Fresh Berhad
(Formerly known as The Holstein Milk Company Sdn. Bhd.)

Registration Number: 201001010221 (894851-U)
(Incorporated in Malaysia)

and its subsidiaries

Accountants' Report on the Consolidated Financial Statements

KPMG

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(LLP0010081-LCA & AF 0758)
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The Board of Directors
Farm Fresh Berhad
(Formerly known as The Holstein Milk Company Sdn. Bhd.)
No. 11-1, Jalan Petaling
Kawasan Perindustrian Larkin
80350 Johor Bahru
Johor

11 February 2022

Dear Sirs,

Reporting Accountant's opinion on the consolidated financial statements of Farm Fresh Berhad (formerly known as The Holstein Milk Company Sdn. Bhd.) (the "Company") contained in the Accountants' Report

Opinion

We have audited the consolidated financial statements of the Company and its subsidiaries (the "Group"), which comprises the consolidated statements of financial position as at 30 September 2021, 31 March 2021, 31 March 2020 and 31 March 2019, consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the period/years then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 5 to 75. The consolidated financial statements of the Group have been prepared for inclusion in the Company's prospectus in connection with the listing of and quotation for the entire issued share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") and for no other purposes.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 30 September 2021, 31 March 2021, 31 March 2020 and 31 March 2019 and of its financial performance and cash flows for the period/years then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Reporting Accountant's Responsibilities for the Audit of the Consolidated Financial Statements* section of our reporting accountant's report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Responsibilities of the Directors for the Consolidated Financial Statements

The Directors of the Company (the "Directors") are responsible for the preparation of consolidated financial statements of the Group that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements of the Group, the Directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Reporting Accountant's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue a reporting accountant's report that includes our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our reporting accountant's report to the related disclosures in the financial statements of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group, including the disclosures, and whether the financial statements of the Group represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

Other matters

The comparative information for the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows, and notes to the consolidated financial statements for the financial period ended 30 September 2020 has not been audited.

Restriction on distribution and use

This report is made solely to the Company and for inclusion in the Company's prospectus in connection with the listing of and quotation for the entire issued share capital of the Company on the Main Market of Bursa Securities and should not be relied upon for any other purposes. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Tan Teck Eng
Approval Number: 02986/05/2022 J
Chartered Accountant

Johor Bahru

Date: 11 February 2022

Farm Fresh Berhad
(Formerly known as The Holstein Milk Company Sdn. Bhd.)
Registration Number: 201001010221 (894851-U)
(Incorporated in Malaysia)
and its subsidiaries

Consolidated statements of financial position

	Note	30.9.2021 Audited RM	31.3.2021 Audited RM	31.3.2020 Audited RM	31.3.2019 Audited RM
Assets					
Property, plant and equipment	3	317,409,245	307,068,897	198,900,911	129,029,539
Right-of-use assets	4	15,637,295	15,819,769	14,704,086	15,131,469
Biological assets	5	82,045,102	69,459,099	55,651,914	46,918,812
Intangible assets	6	19,139,651	19,894,919	13,921,401	7,580,975
Trade and other receivables	7	898,911	1,077,338	830,546	--
Deferred tax assets	8	10,773,940	3,352,750	355,350	--
Total non-current assets		445,904,144	416,672,772	284,364,208	198,660,795
Inventories	9	95,974,030	105,034,639	40,156,044	29,700,024
Trade and other receivables	7	88,121,830	88,796,172	81,031,503	42,616,945
Current tax assets		2,976	31,070	5,889	5,161
Cash and cash equivalents	10	59,628,447	11,723,637	7,478,507	3,486,950
Total current assets		243,727,283	205,585,518	128,671,943	75,809,080
Total assets		689,631,427	622,258,290	413,036,151	274,469,875
Equity					
Share capital	11	87,779,796	87,779,796	87,779,796	87,779,796
Reserves	11	190,162,114	146,863,517	101,510,090	69,900,753
Equity attributable to owners of the Company		277,941,910	234,643,313	189,289,886	157,680,549
Non-controlling interests	12	4,900,162	6,386,645	8,475,424	6,130,637
Total equity		282,842,072	241,029,958	197,765,310	163,811,186
Liabilities					
Loans and borrowings	13	240,448,960	101,014,756	90,133,850	40,352,742
Lease liabilities		6,343,773	6,159,799	4,610,942	4,148,084
Deferred income	14	6,632,078	6,768,263	6,598,723	6,848,860
Deferred tax liabilities	8	9,041,597	5,801,597	4,666,000	2,878,200
Total non-current liabilities		262,466,408	119,744,415	106,009,515	54,227,886
Loans and borrowings	13	36,541,167	140,927,921	58,542,239	19,691,740
Trade and other payables	15	80,012,121	83,078,535	50,033,311	36,151,813
Lease liabilities		842,373	854,653	427,074	283,527
Deferred income	14	270,697	269,861	254,196	265,865
Current tax liabilities		26,656,589	36,352,947	4,506	37,858
Total current liabilities		144,322,947	261,483,917	109,261,326	56,430,803
Total liabilities		406,789,355	381,228,332	215,270,841	110,658,689
Total equity and liabilities		689,631,427	622,258,290	413,036,151	274,469,875

Farm Fresh Berhad
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Consolidated statements of profit or loss and other comprehensive income

	Note	1.4.2021 to 30.9.2021 Audited RM	1.4.2020 to 30.9.2020 Unaudited RM	1.4.2020 to 31.3.2021 Audited RM	1.4.2019 to 31.3.2020 Audited RM	1.4.2018 to 31.3.2019 Audited RM
Revenue	16	257,186,523	234,423,294	490,498,015	303,067,489	178,226,605
Cost of sales		(191,730,892)	(167,341,314)	(349,612,502)	(223,013,276)	(123,832,582)
Gross profit		65,455,631	67,081,980	140,885,513	80,054,213	54,394,023
Other income		11,664,824	3,413,544	9,021,458	2,762,897	4,723,616
Selling and distribution expenses		(14,729,881)	(18,738,746)	(37,522,166)	(19,781,673)	(11,577,951)
Administrative expenses		(15,718,672)	(10,293,851)	(27,060,280)	(20,230,208)	(14,422,876)
Other expenses		(6,210,365)	(39,755)	(7,979,608)	(194,642)	(652,583)
Results from operating activities		40,461,537	41,423,172	77,344,917	42,610,587	32,464,229
Finance income	17	395,091	141,600	228,033	45,937	212,838
Finance costs	18	(5,650,107)	(4,050,050)	(9,984,341)	(6,480,705)	(4,496,356)
Net finance costs		(5,255,016)	(3,908,450)	(9,756,308)	(6,434,768)	(4,283,518)
Profit before tax		35,206,521	37,514,722	67,588,609	36,175,819	28,180,711
Tax credit/(expense)						
- Current tax and deferred tax		3,788,733	(3,176,023)	(9,052,257)	(1,793,888)	(804,085)
- Additional tax for prior years	19.1	--	(25,708,582)	(25,708,582)	--	--
- Reversal of tax	19.1	10,490,033	--	--	--	--
Total tax credit/ (expense)	19	14,278,766	(28,884,605)	(34,760,839)	(1,793,888)	(804,085)
Profit for the period/year	20	49,485,287	8,630,117	32,827,770	34,381,931	27,376,626
Other comprehensive (expense)/income, net of tax						
Items that are or may be reclassified subsequently to profit or loss						
Foreign currency translation differences/ **Other comprehensive (expense)/income for the period/year**		(7,673,173)	5,575,699	10,061,944	(3,842,194)	(452,213)
Total comprehensive income for the period/year		41,812,114	14,205,816	42,889,714	30,539,737	26,924,413

Consolidated statements of profit or loss and other comprehensive income
(continued)

	Note	1.4.2021 to 30.9.2021 Audited RM	1.4.2020 to 30.9.2020 Unaudited RM	1.4.2020 to 31.3.2021 Audited RM	1.4.2019 to 31.3.2020 Audited RM	1.4.2018 to 31.3.2019 Audited RM
Profit/(Loss) attributable to:						
Owners of the Company		50,742,660	9,384,148	36,228,078	35,219,859	27,435,359
Non-controlling interests		(1,257,373)	(754,031)	(3,400,308)	(837,928)	(58,733)
Profit for the period/year		49,485,287	8,630,117	32,827,770	34,381,931	27,376,626
Total comprehensive income/(expense) attributable to:						
Owners of the Company		43,298,597	14,472,622	45,353,427	31,609,337	27,029,760
Non-controlling interests		(1,486,483)	(266,806)	(2,463,713)	(1,069,600)	(105,347)
Total comprehensive income for the period/year		41,812,114	14,205,816	42,889,714	30,539,737	26,924,413
Basic earnings per ordinary share (sen)	21	3.1	0.6	2.2	2.2	2.6
Diluted earnings per ordinary share (sen)	21	3.1	0.6	2.2	2.1	2.6

Farm Fresh Berhad
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Consolidated statements of changes in equity

	Attributable to owners of the Company				
	Non-distributable		Distributable		
Audited	**Share capital RM**	**Translation reserve RM**	**Retained earnings RM**	**Non-controlling interests RM**	**Total equity RM**
At 1 April 2018	27,779,796	(1,085,086)	43,956,079	4,168,147	74,818,936
Foreign currency translation differences for foreign operations/ **Total other comprehensive expense for the year**	--	(405,599)	--	(46,614)	(452,213)
Profit/(Loss) for the year	--	--	27,435,359	(58,733)	27,376,626
Total comprehensive (expense)/income for the year	--	(405,599)	27,435,359	(105,347)	26,924,413
Contributions by and distributions to owners of the Company					
Shares issued	60,000,000	--	--	--	60,000,000
Capital contribution by non-controlling interests	--	--	--	2,067,837	2,067,837
Total transactions with owners of the Company	60,000,000	--	--	2,067,837	62,067,837
At 31 March 2019	87,779,796	(1,490,685)	71,391,438	6,130,637	163,811,186
At 1 April 2019	87,779,796	(1,490,685)	71,391,438	6,130,637	163,811,186
Foreign currency translation differences for foreign operations/ **Total other comprehensive expense for the year**	--	(3,610,522)	--	(231,672)	(3,842,194)
Profit/(Loss) for the year	--	--	35,219,859	(837,928)	34,381,931
Total comprehensive (expense)/income for the year	--	(3,610,522)	35,219,859	(1,069,600)	30,539,737
Contributions by and distributions to owners of the Company					
Capital contribution by non-controlling interests/ **Total transactions with owners of the Company**	--	--	--	3,414,387	3,414,387
At 31 March 2020	87,779,796	(5,101,207)	106,611,297	8,475,424	197,765,310

Consolidated statements of changes in equity
(continued)

Audited	Attributable to owners of the Company Non-distributable Share capital RM	 Translation reserve RM	 Distributable Retained earnings RM	Non-controlling interests RM	Total equity RM
At 1 April 2020	87,779,796	(5,101,207)	106,611,297	8,475,424	197,765,310
Foreign currency translation differences for foreign operations/ **Total other comprehensive income for the year**	--	9,125,349	--	936,595	10,061,944
Profit/(Loss) for the year	--	--	36,228,078	(3,400,308)	32,827,770
Total comprehensive income/ (expense) for the year	--	9,125,349	36,228,078	(2,463,713)	42,889,714
Contributions by and distributions to owners of the Company					
Capital contribution by non-controlling interests/ **Total transactions with owners of the Company**	--	--	--	374,934	374,934
At 31 March 2021	87,779,796	4,024,142	142,839,375	6,386,645	241,029,958
At 1 April 2021	87,779,796	4,024,142	142,839,375	6,386,645	241,029,958
Foreign currency translation differences for foreign operations/ **Total other comprehensive expenses for the period**	--	(7,444,063)	--	(229,110)	(7,673,173)
Profit/(Loss) for the period	--	--	50,742,660	(1,257,373)	49,485,287
Total comprehensive (expenses)/income for the period	--	(7,444,063)	50,742,660	(1,486,483)	41,812,114
At 30 September 2021	87,779,796	(3,419,921)	193,582,035	4,900,162	282,842,072

Consolidated statements of changes in equity
(continued)

	Attributable to owners of the Company				
	Non-distributable		Distributable		
Unaudited	**Share capital RM**	**Translation reserve RM**	**Retained earnings RM**	**Non-controlling interests RM**	**Total equity RM**
At 1 April 2020	87,779,796	(5,101,207)	106,611,297	8,475,424	197,765,310
Foreign currency translation differences for foreign operations/ **Total other comprehensive income for the period**	--	5,088,474	--	487,225	5,575,699
Profit/(Loss) for the period	--	--	9,384,148	(754,031)	8,630,117
Total comprehensive income/ (expense) for the period	--	5,088,474	9,384,148	(266,806)	14,205,816
Contributions by and distributions to owners of the Company					
Capital contribution by non-controlling interests/ **Total transactions with owners of the Company**	--	--	--	416,625	416,625
At 30 September 2020	87,779,796	(12,733)	115,995,445	8,625,243	212,387,751

Farm Fresh Berhad
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Consolidated statements of cash flows

	1.4.2021 to 30.9.2021 Audited RM	1.4.2020 to 30.9.2020 Unaudited RM	1.4.2020 to 31.3.2021 Audited RM	1.4.2019 to 31.3.2020 Audited RM	1.4.2018 to 31.3.2019 Audited RM
Cash flows from operating activities					
Profit before tax	35,206,521	37,514,722	67,588,609	36,175,819	28,180,711
Adjustments for:					
Depreciation and amortisation:					
- Property, plant and equipment	13,043,050	8,015,412	19,973,666	12,813,429	7,364,711
- Intangible assets	118,327	2,060	203,309	--	--
- Right-of-use assets	774,396	573,143	1,236,926	1,129,761	926,399
Finance income	(395,091)	(141,600)	(228,033)	(45,937)	(212,838)
Finance costs	5,650,107	4,050,050	9,984,341	6,480,705	4,496,356
Impairment loss/(Reversal of impairment loss) on:					
- Property, plant and equipment	80,129	--	4,212,235	--	--
- Trade receivables	(72,282)	--	609,145	--	180,000
Written off of other receivables	--	--	411,486	--	--
Write down of obsolete and slow-moving inventories	721,657	--	614,402	--	300,000
(Gain)/Loss on disposal of property, plant and equipment	(3,170)	1,647	(462,667)	(544,700)	334,140
Amortisation of deferred income	(135,349)	(131,127)	(266,476)	(261,806)	(229,650)
Gain arising from changes in fair value of dairy cows and goats	(10,223,890)	(1,065,934)	(4,321,205)	(1,359,529)	(2,942,515)
Unrealised (gain)/loss on foreign exchange	--	--	(105,526)	(11,429)	13,431
Provision for redundancy costs	4,929,876	--	--	--	--
Operating profit before changes in working capital	49,694,281	48,818,373	99,450,212	54,376,313	38,410,745
Change in deferred income	--	451,680	451,681	--	1,001,538
Change in inventories	8,740,482	(16,850,248)	(64,524,686)	(3,591,516)	(20,855,273)
Change in trade and other receivables	925,051	(12,559,492)	(9,032,092)	(39,245,104)	(11,759,623)
Change in trade and other payables	(7,996,290)	13,598,938	33,150,750	12,621,903	6,681,261
Cash generated from operations	51,363,524	33,459,251	59,495,865	24,161,596	13,478,648
Interest received	395,091	141,600	228,033	45,937	212,838
Tax paid	(37,417)	(17,346)	(56,355)	(34,080)	(33,986)
Net cash from operating activities	51,721,198	33,583,505	59,667,543	24,173,453	13,657,500

Consolidated statements of cash flows
(continued)

	Note	1.4.2021 to 30.9.2021 Audited RM	1.4.2020 to 30.9.2020 Unaudited RM	1.4.2020 to 31.3.2021 Audited RM	1.4.2019 to 31.3.2020 Audited RM	1.4.2018 to 31.3.2019 Audited RM
Cash flows from investing activities						
Acquisition of:						
- property, plant and equipment	24	(29,640,617)	(50,648,495)	(75,093,964)	(61,844,982)	(38,709,024)
- right-of-use assets		(110,164)	--	--	--	(1,027,945)
- a business	28	--	--	--	(22,795,819)	--
- biological assets		(8,491,792)	(2,937,812)	(14,966,322)	(13,996,051)	(12,728,408)
- intangible assets		(166,028)	(82,420)	(3,470,961)	--	--
Proceeds from disposal of:						
- property, plant and equipment		457,212	148,690	1,072,950	1,341,569	121,304
- biological assets		4,851,898	3,622,790	6,797,196	5,328,076	3,520,632
Net cash used in investing activities		(33,099,491)	(49,897,247)	(85,661,101)	(91,967,207)	(48,823,441)
Cash flows from financing activities						
Interest paid		(3,063,613)	(2,519,196)	(6,832,257)	(5,304,050)	(3,660,545)
Proceeds from shares issued	11	--	--	--	--	60,000,000
Drawdown of term loans		--	16,370,392	21,887,430	18,695,304	--
Drawdown of sukuk		200,000,000	--	--	--	--
Repayment of term loans		(43,052,474)	(500,623)	(8,787,733)	(5,204,843)	(3,373,636)
Net proceeds from bankers' acceptances		(33,997,757)	3,310,684	23,144,766	30,360,320	3,139,730
Net proceeds from revolving credits		(4,074,000)	--	4,074,000	--	--
Net proceeds from short-term financing		(907,721)	--	1,020,765	--	--
Payment for redeemable convertible cumulative preference shares		--	--	--	--	(13,203,384)
Repayment of hire purchase liabilities		(34,624,270)	(4,312,754)	(9,883,070)	(6,875,793)	(3,353,146)
Capital contributed by a minority shareholder		--	414,625	374,934	3,414,387	2,067,837
Repayment to a minority shareholder		--	--	--	--	(664,880)
Repayment of lease liabilities		(352,048)	(53,822)	(515,654)	(272,628)	(211,065)
(Repayment)/Loan from a shareholder		(34,012,603)	--	--	30,000,000	--
Net cash from financing activities		45,915,514	12,709,306	24,483,181	64,812,697	40,740,911
Exchange difference on translation of the financial statements of foreign operation		(2,360,075)	26,976	(561,738)	3,275,025	589,716
Net increase/(decrease) in cash and cash equivalents		62,177,146	(3,577,460)	(2,072,115)	293,968	6,164,686
Cash and cash equivalents at 1 April		(2,548,699)	(476,584)	(476,584)	(770,552)	(6,935,238)
Cash and cash equivalents at 30 September/ 31 March	10	59,628,447	(4,054,044)	(2,548,699)	(476,584)	(770,552)

Consolidated statements of cash flows
(continued)

Cash outflows for leases as a lessee

	Note	1.4.2021 to 30.9.2021 Audited RM	1.4.2020 to 30.9.2020 Unaudited RM	1.4.2020 to 31.3.2021 Audited RM	1.4.2019 to 31.3.2020 Audited RM	1.4.2018 to 31.3.2019 Audited RM
Included in net cash from operating activities						
Payment relating to short-term leases	20	2,614,181	654,399	2,781,426	490,057	72,814
Payment relating to leases of low-value assets	20	10,686	14,764	24,051	223,658	13,084
Included in net cash from financing activities						
Payment of lease liabilities		479,898	53,822	515,654	272,628	211,065
Interest paid in relation to lease liabilities	18	166,399	122,455	249,129	234,022	217,362
Total cash outflows for leases		3,271,164	845,440	3,570,260	1,220,365	514,325

Reconciliation of movement of liabilities to cash flows arising from financing activities

Audited	At 1 April 2021 RM	Net changes from operating cash flows RM	Net changes from financing cash flows RM	Acquisition of assets RM	Derecog-nition of lease RM	Exchange difference RM	At 30 September 2021 RM
Term loans	68,667,854	--	(43,052,474)	--	--	(841,821)	24,773,559
Bankers' acceptances	62,179,558	--	(33,997,757)	--	--	(583,600)	27,598,201
Revolving credits	4,074,000	--	(4,074,000)	--	--	--	--
Hire purchase liabilities	57,650,571	--	(34,624,270)	--	--	(1,119,736)	21,906,565
Lease liabilities	7,014,452	38,549	(352,048)	500,485	--	(15,292)	7,186,146
Loan from a shareholder	34,012,603	--	(34,012,603)	--	--	--	--
Short term financing	1,085,755	--	(907,721)	--	--	(14,177)	163,857
Sukuk	--	2,547,945	200,000,000	--	--	--	202,547,945
Total liabilities from financing activities	234,684,793	2,586,494	48,979,127	500,485	--	(2,574,626)	284,176,273

Unaudited	At 1 April 2020 RM	Net changes from operating cash flows RM	Net changes from financing cash flows RM	Acquisition of assets RM	Derecog-nition of lease RM	Exchange difference RM	At 30 September 2020 RM
Term loans	49,775,004	--	15,869,769	--	--	3,683,195	69,327,968
Bankers' acceptances	38,277,559	--	3,310,684	--	--	--	41,588,243
Hire purchase liabilities	21,668,435	--	(4,312,754)	11,527,554	--	166,705	29,049,940
Lease liabilities	5,038,016	97,978	(53,822)	252,000	(60,791)	--	5,273,381
Loan from a shareholder	31,000,000	1,432,877	--	--	--	--	32,432,877
Total liabilities from financing activities	145,759,014	1,530,855	14,813,877	11,779,554	(60,791)	3,849,900	177,672,409

Consolidated statements of cash flows
(continued)

Reconciliation of movement of liabilities to cash flows arising from financing activities (continued)

Audited	At 1 April 2020 RM	Net changes from operating cash flows RM	Net changes from financing cash flows RM	Acquisition of assets RM	Derecog-nition of lease RM	Exchange difference RM	At 31 March 2021 RM
Term loans	49,775,004	--	13,099,697	--	--	5,793,153	68,667,854
Bankers' acceptances	38,277,559	--	23,144,766	--	--	757,233	62,179,558
Revolving credits	--	--	4,074,000	--	--	--	4,074,000
Hire purchase liabilities	21,668,435	--	(9,883,070)	43,790,778	--	2,074,428	57,650,571
Lease liabilities	5,038,016	139,481	(515,654)	2,869,468	(548,975)	32,116	7,014,452
Loan from a shareholder	31,000,000	3,012,603	--	--	--	--	34,012,603
Short term financing	--	--	1,020,765	--	--	64,990	1,085,755
Total liabilities from financing activities	145,759,014	3,152,084	30,940,504	46,660,246	(548,975)	8,721,920	234,684,793

Audited	At 1 April 2019 RM	Net changes from operating cash flows RM	Net changes from financing cash flows RM	Acquisition of assets RM	Derecog-nition of lease RM	At 31 March 2020 RM
Term loans	36,284,543	--	13,490,461	--	--	49,775,004
Bankers' acceptances	7,917,239	--	30,360,320	--	--	38,277,559
Hire purchase liabilities	11,585,198	--	(6,875,793)	16,959,030	--	21,668,435
Lease liabilities	4,431,611	176,655	(272,628)	732,374	(29,996)	5,038,016
Loan from a shareholder	--	1,000,000	30,000,000	--	--	31,000,000
Total liabilities from financing activities	60,218,591	1,176,655	66,702,360	17,691,404	(29,996)	145,759,014

Audited	At 1 April 2018 RM	Net changes from operating cash flows RM	Net changes from financing cash flows RM	Acquisition of assets RM	At 31 March 2019 RM
Term loans	39,658,179	--	(3,373,636)	--	36,284,543
Bankers' acceptances	4,777,509	--	3,139,730	--	7,917,239
Hire purchase liabilities	8,998,128	--	(3,353,146)	5,940,216	11,585,198
Lease liabilities	4,159,436	176,426	(211,065)	306,814	4,431,611
Loan from a minority shareholder	664,880	--	(664,880)	--	--
Redeemable convertible preference shares	12,543,999	659,385	(13,203,384)	--	--
Total liabilities from financing activities	70,802,131	835,811	(17,666,381)	6,247,030	60,218,591

Farm Fresh Berhad
(Formerly known as The Holstein Milk Company Sdn. Bhd.)
Registration Number: 201001010221 (894851-U)
(Incorporated in Malaysia)
and its subsidiaries

Notes to the consolidated financial statements

Farm Fresh Berhad (formerly known as The Holstein Milk Company Sdn. Bhd.) is a public limited liability company, incorporated and domiciled in Malaysia. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business
Plot D, KM6
Jalan Muadzam - Rompin
26700 Muadzam Shah
Pahang Darul Makmur

Registered office
Suite 1301, 13th Floor
City Plaza, Jalan Tebrau
80300 Johor Bahru
Johor Darul Takzim

The principal activities of the Company are investment holding, rearing of dairy cows and the production, marketing, sale of cow's milk and plant-based related products. The principal activities of its subsidiaries are disclosed in Note 31.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group for the periods ended 30 September 2021, 30 September 2020 and years ended 31 March 2021, 31 March 2020, and 31 March 2019 have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards.

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018−2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018−2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018−2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment − Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets − Onerous Contracts − Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018−2020)*

(a) Statement of compliance (continued)

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group plans to apply the abovementioned accounting standards, interpretations and amendments in the respective financial year when the above accounting standards, interpretations and amendments become effective, if applicable.

The initial application of the accounting standards, interpretations and amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group upon their first adoption.

(b) Basis of measurement

The consolidated financial statements of the Group have been prepared on the historical cost basis other than as disclosed in Note 2.

(c) Functional and presentation currency

These consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the consolidated financial statements other than those disclosed in the following notes:

- Note 4 - right-of-use assets
- Note 5 - valuation of biological assets
- Note 6 - measurement of the recoverable amounts of cash-generating units
- Note 8 - deferred tax assets
- Note 19 - tax expense
- Note 23.4 - measurement of expected credit loss ("ECL")

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these consolidated financial statements and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(a) Basis of consolidation (continued)

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

(v) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

(b) Foreign currency (continued)

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(c) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the consolidated statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial assets (continued)

The category of financial assets at initial recognition is as follows:

(a) ***Amortised cost***

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(j)(i)) where the effective interest rate is applied to the amortised cost.

Financial assets are subject to impairment assessment (see Note 2(j)(i)).

Financial liabilities

The category of financial liabilities at initial recognition is as follows:

(a) ***Amortised cost***

Financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current year.

Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date, and

(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Settlement date accounting refers to:

(a) the recognition of an asset on the day it is received by the Group, and

(b) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group.

(c) Financial instruments (continued)

(iii) Regular way purchase or sale of financial assets (continued)

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group applies settlement date accounting unless otherwise stated for the specific class of asset.

(iv) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

(v) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	50 years
Farm barn, building and electrical installation	10 - 33 years
Milk plant, machinery, tools and equipment	5 - 20 years
Office and shop equipment and design	5 - 20 years
Motor vehicles	5 - 10 years
Agrotourism farm	5 - 10 years

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period and adjusted as appropriate.

(e) Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

(a) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

(e) Leases (continued)

(ii) Recognition and initial measurement (continued)

(a) As a lessee (continued)

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

In an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

The Group recognises assets held under a finance lease in its consolidated statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group uses the interest rate implicit in the lease to measure the net investment in the lease.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

(e) Leases (continued)

(iii) Subsequent measurement (continued)

(a) As a lessee (continued)

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

The Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the lease. The Group aims to allocate finance income over the lease term on a systematic and rational basis. The Group applies the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income. The net investment in the lease is subject to impairment requirements in MFRS 9, *Financial Instruments* (see Note 2(j)(i)).

(f) Intangible assets

(i) Goodwill

Goodwill arises on business combinations is measured at cost less any accumulated impairment losses.

(ii) Other intangible assets

Intangible assets, other than goodwill, that acquired by the Group which have infinite useful lives, are measured at cost less any accumulated impairment losses.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iv) Amortisation

Goodwill and intangible assets with indefinite useful lives are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

Other intangible assets are amortised from the date that they are available for use. Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

The estimated useful lives for the current and comparative periods are as follows:

Trademarks	5 years
Software	10 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

(g) Biological assets

(i) Dairy cows and goats

The Group's biological assets comprise dairy herds, bulls and dairy goats. The biological assets are measured at cost on initial recognition and subsequently at the end of the reporting period at their fair value less costs to sell, with any resulting gain or loss recognised in profit or loss for the year in which it arises.

The feeding costs, incurred for raising of heifers and calves are capitalised, until such time as the heifers and calves begin to produce milk.

The Group determines whether an active or other effective market exists for a biological asset in its present location and condition, and whether there is a quoted price in that market as the appropriate basis for determining the fair value of that asset. If an active market does not exist then the Directors use one of the following valuation methods, when available, in determining fair value:

- the most recent market transaction price, provided that there has not been a significant change in economic circumstances between the date of that transaction and the end of the reporting period; or
- market prices, in markets accessible to the entity, for similar assets with adjustment to reflect differences.

(ii) Semen and embryos

Semen and embryos are stated at cost less any accumulated amortisation and any accumulated impairment losses, where applicable.

Cost includes expenditure that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the assets for its intended use.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the first-in first-out method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group in the management of their short term commitments. For the purpose of the consolidated statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(j) Impairment

(i) Financial assets

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group measures loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balance for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

The Group estimates the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery amounts due.

(ii) Other assets

The carrying amounts of other assets except for inventories, deferred tax assets, lease receivables and biological assets are reviewed at the end of the reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

(j) Impairment (continued)

(ii) Other assets (continued)

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(k) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the consolidated statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: arising from the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

(k) Income tax (continued)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and other similar incentives, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

(l) Revenue and other income

(i) Revenue

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group performs;

(b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(ii) Dairy cows/goats and milk

Milk is initially measured at its fair value less estimated point-of-sale costs at the time of milking. The amount so determined is subsequently carried as the cost of inventory.

The net gain or loss arising from changes of fair value of dairy cows/goats or death is included in other income/other expenses accordingly.

(iii) Government grant

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

(iv) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(l) Revenue and other income (continued)

(v) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(vi) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from sub-leased properties is recognised as other income.

(m) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(n) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expense

Costs directly attributable to issue of equity instruments are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(o) Compound financial instruments

A compound financial instrument is a non-derivative financial instrument that contains both a liability and an equity component.

Compound financial instruments issued by the Group comprise convertible notes that can be converted to share capital at the option of the holder, when the number of shares to be issued does not vary with changes in their fair value.

(o) Compound financial instruments (continued)

The proceeds are first allocated to the liability component, determined based on the fair value of a similar liability that does not have a conversion feature or similar associated equity component. The residual amount is allocated as the equity component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

Interest and losses and gains relating to the financial liability are recognised in profit or loss. On conversion, the financial liability is reclassified to equity; no gain or loss is recognised on conversion.

(p) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(q) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(r) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(s) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the consolidated statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(t) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. Property, plant and equipment

	Land and buildings RM	Farm barn, building and electrical installation RM	Milk plant, machinery, tools and equipment RM	Office and shop equipment and design RM	Motor vehicles RM	Construction -in -progress RM	Total RM
At cost							
At 1 April 2018	25,034,356	28,747,378	29,375,232	1,823,067	2,855,433	17,479,453	105,314,919
Additions	1,069,415	11,847,439	26,850,408	1,377,558	2,486,884	1,017,536	44,649,240
Disposals/Written off	--	(103,555)	(309,573)	--	(241,143)	--	(654,271)
Transfer/ Reclassification	--	--	16,958,561	--	--	(16,958,561)	--
Exchange difference	(581,669)	--	(141,093)	--	--	--	(722,762)
At 31 March 2019	25,522,102	40,491,262	72,733,535	3,200,625	5,101,174	1,538,428	148,587,126
Accumulated depreciation							
At 1 April 2018	228,008	3,804,529	6,062,797	994,746	1,306,762	--	12,396,842
Depreciation charge	137,610	1,569,850	4,776,426	254,334	626,491	--	7,364,711
Disposals/Written off	--	(25,160)	(39,622)	--	(134,045)	--	(198,827)
Exchange difference	--	--	(5,139)	--	--	--	(5,139)
At 31 March 2019	365,618	5,349,219	10,794,462	1,249,080	1,799,208	--	19,557,587
Carrying amounts							
At 31 March 2019	25,156,484	35,142,043	61,939,073	1,951,545	3,301,966	1,538,428	129,029,539
At cost							
At 1 April 2019	25,522,102	40,491,262	72,733,535	3,200,625	5,101,174	1,538,428	148,587,126
Additions	6,929,303	16,350,340	30,861,159	945,220	2,737,570	20,980,420	78,804,012
Disposals/Written off	--	(27,779)	(436,703)	--	(1,989,522)	(29,192)	(2,483,196)
Transfer/ Reclassification	12,931	275,283	1,214,214	--	--	(1,502,428)	--
Acquisition of a business	5,131,590	--	4,527,915	--	--	--	9,659,505
Exchange difference	(2,648,357)	(11,082)	(833,140)	(7,919)	--	(1,090,797)	(4,591,295)
At 31 March 2020	34,947,569	57,078,024	108,066,980	4,137,926	5,849,222	19,896,431	229,976,152
Accumulated depreciation							
At 1 April 2019	365,618	5,349,219	10,794,462	1,249,080	1,799,208	--	19,557,587
Depreciation charge	169,821	2,519,545	8,571,199	425,388	1,127,476	--	12,813,429
Disposals/Written off	--	(1,011)	(41,521)	--	(1,193,313)	--	(1,235,845)
Transfer/ Reclassification	--	(20,000)	20,000	--	--	--	--
Exchange Difference	--	(17)	(59,673)	(240)	--	--	(59,930)
At 31 March 2020	535,439	7,847,736	19,284,467	1,674,228	1,733,371	--	31,075,241
Carrying amounts							
At 31 March 2020	34,412,130	49,230,288	88,782,513	2,463,698	4,115,851	19,896,431	198,900,911

3. Property, plant and equipment (continued)

	Land and buildings RM	Farm barn, building and electrical installation RM	Milk plant, machinery, tools and equipment RM	Office and shop equipment and design RM	Motor vehicles RM	Construction -in -progress RM	Total RM
At cost							
At 1 April 2020	34,947,569	57,078,024	108,066,980	4,137,926	5,849,222	19,896,431	229,976,152
Additions	6,997,485	12,630,323	82,213,410	1,288,006	2,920,722	12,834,796	118,884,742
Disposals/Written off	(4,960)	--	(243,223)	--	(840,808)	--	(1,088,991)
Transfer/ Reclassification	(1,013,275)	9,453,813	8,707,939	(693,932)	1,481,314	(17,935,859)	--
Exchange difference	6,454,622	298,805	5,992,716	33,791	133,472	1,795,313	14,708,719
At 31 March 2021	47,381,441	79,460,965	204,737,822	4,765,791	9,543,922	16,590,681	362,480,622
Accumulated depreciation							
At 1 April 2020	535,439	7,847,736	19,284,467	1,674,228	1,733,371	--	31,075,241
Depreciation charge	169,821	3,772,803	13,934,880	548,532	1,547,630	--	19,973,666
Disposals/Written off	--	--	(107,676)	--	(371,032)	--	(478,708)
Transfer/ Reclassification	--	(157,594)	(104,429)	(35,477)	297,500	--	--
Exchange difference	--	11,430	301,988	5,074	42,617	--	361,109
At 31 March 2021	705,260	11,474,375	33,309,230	2,192,357	3,250,086	--	50,931,308
Accumulated impairment loss							
At 1 April 2020	--	--	--	--	--	--	--
Impairment loss	--	--	4,212,235	--	--	--	4,212,235
Exchange difference	--	--	268,182	--	--	--	268,182
At 31 March 2021	--	--	4,480,417	--	--	--	4,480,417
Carrying amounts							
At 31 March 2021	46,676,181	67,986,590	166,948,175	2,573,434	6,293,836	16,590,681	307,068,897

3. Property, plant and equipment (continued)

	Land and buildings RM	Farm barn, building and electrical installation RM	Milk plant, machinery, tools and equipment RM	Office and shop equipment and design RM	Motor vehicles RM	Agrotourism farm RM	Construction -in -progress RM	Total RM
At cost								
At 1 April 2021	47,381,441	79,460,965	204,737,822	4,765,791	9,543,922	--	16,590,681	362,480,622
Additions	--	14,176,540	6,251,710	553,285	405,127	--	8,253,955	29,640,617
Disposals/Written off	--	--	(505,252)	(2,599)	--	--	(110,164)	(618,015)
Transfer/Reclassification	--	5,676,245	1,683,046	--	--	232,807	(7,592,098)	--
Exchange difference	(2,045,098)	(233,527)	(3,689,113)	(19,496)	(104,701)	--	(173,753)	(6,265,688)
At 30 September 2021	45,336,343	99,080,223	208,478,213	5,296,981	9,844,348	232,807	16,968,621	385,237,536
Accumulated depreciation								
At 1 April 2021	705,260	11,474,375	33,309,230	2,192,357	3,250,086	--	--	50,931,308
Depreciation charge	84,910	2,320,280	9,416,295	360,601	845,194	15,770	--	13,043,050
Disposals/Written off	--	--	(163,107)	(866)	--	--	--	(163,973)
Exchange difference	--	(11,500)	(274,269)	(5,334)	(41,678)	--	--	(332,781)
At 30 September 2021	790,170	13,783,155	42,288,149	2,546,758	4,053,602	15,770	--	63,477,604
Accumulated impairment loss								
At 1 April 2021	--	--	4,480,417	--	--	--	--	4,480,417
Impairment loss	--	--	80,129	--	--	--	--	80,129
Exchange difference	--	--	(209,859)	--	--	--	--	(209,859)
At 30 September 2021	--	--	4,350,687	--	--	--	--	4,350,687
Carrying amounts								
At 30 September 2021	44,546,173	85,297,068	161,839,377	2,750,223	5,790,746	217,037	16,968,621	317,409,245

3. Property, plant and equipment (continued)

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Carrying amounts of land and buildings				
Land	35,972,452	37,712,170	25,427,368	22,472,613
Buildings	8,573,721	8,964,011	8,984,762	2,683,871
	44,546,173	46,676,181	34,412,130	25,156,484

Impairment loss - Australia's operation

The Group has assessed the recoverable amount of plant and machineries under the fruit jam and sauces divisions and recognised a full impairment loss of RM4,212,235 and RM80,129 in financial year ended 31 March 2021 and financial period ended 30 September 2021 respectively on certain plant and machineries due to loss incurred in fruit jam and sauces divisions.

The recoverable amount of plant and machineries is determined based on value in use calculations. See Note 6 for the significant assumptions used in value in use calculations.

The impairment loss is recognised as other expenses in the consolidated statement of profit or loss and other comprehensive income.

Assets under hire purchase

Included in property, plant and equipment of the Group are motor vehicles, and plant and machineries acquired under hire purchase with carrying amount of RM40,382,851 (31.3.2021: RM65,371,240; 31.3.2020: RM29,538,791; 31.3.2019: RM15,940,323).

Security

Certain land and buildings of the Group with carrying amount of RM44,546,173 (31.3.2021: RM39,233,183; 31.3.2020: RM34,412,130; 31.3.2019: RM23,249,497) are charged to banks as security for banking facilities granted to its subsidiary (see Note 13).

Properties subject to operating lease

The Group leases one of its warehouses to a third party under a short-term lease arrangement.

The Group generally does not require a financial guarantee on the lease arrangement. The rental income is recognised as other income in the consolidated statement of profit or loss and other comprehensive income as disclose in Note 20.

Others

Included in farm barn, building and electrical installation and construction-in-progress are the following expenses capitalised:

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Staff costs	1,484,581	1,419,104	980,987	344,497
Finance costs	436,767	--	--	--

Motor vehicles of the Group with carrying amount of NIL (31.3.2021: RM66,667; 31.3.2020: RM106,667; 31.3.2019: RM150,000) are registered in the names of the Directors/person connected to the Directors held in trust for the Group.

4. Right-of-use assets

	Land RM	Buildings RM	Total RM
At 1 April 2018	14,399,878	323,231	14,723,109
Addition	1,027,945	306,814	1,334,759
Depreciation	(796,451)	(129,948)	(926,399)
At 31 March 2019	14,631,372	500,097	15,131,469
At 1 April 2019	14,631,372	500,097	15,131,469
Addition	732,374	--	732,374
Depreciation	(936,473)	(193,288)	(1,129,761)
Derecognition	--	(29,996)	(29,996)
At 31 March 2020	14,427,273	276,813	14,704,086
At 1 April 2020	14,427,273	276,813	14,704,086
Addition	2,059,416	810,052	2,869,468
Depreciation	(1,069,659)	(167,267)	(1,236,926)
Derecognition	(533,956)	(15,019)	(548,975)
Exchange Difference	--	32,116	32,116
At 31 March 2021	14,883,074	936,695	15,819,769
At 1 April 2021	14,883,074	936,695	15,819,769
Addition	110,164	500,485	610,649
Depreciation	(551,210)	(223,186)	(774,396)
Exchange Difference	--	(18,727)	(18,727)
At 30 September 2021	14,442,028	1,195,267	15,637,295

The Group leases a number of land and buildings that run between one year and thirty-three years.

4.1 Significant judgements and assumptions in relation to leases

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective lease. Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

4.2 Security

Included in right-of-use assets of the Group are assets with carrying amount of RM1,953,922 (31.3.2021: RM1,907,394; 31.3.2020: RM614,576; 31.3.2019: RM643,051) are charged to banks as security for banking facilities granted to the subsidiary (see Note 13).

5. Biological assets

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Dairy cows and goats				
At fair value				
At 1 April	65,708,379	51,754,400	42,802,891	30,694,635
Additions	8,491,792	14,966,322	13,996,051	12,728,408
Disposals	(4,851,898)	(6,797,196)	(5,328,076)	(3,520,632)
Net gain arising from changes in fair value of dairy cows and goats	10,223,890	4,321,205	1,359,529	2,942,515
Transfer to inventories	(401,530)	(968,311)	(303,145)	--
Transfer from semen and embryos	--	207,437	190,237	--
Exchange difference	(777,123)	2,224,522	(963,087)	(42,035)
At 30 September/31 March	78,393,510	65,708,379	51,754,400	42,802,891
Semen and embryos				
At cost				
At 1 April	3,750,720	3,897,514	4,115,921	4,124,527
Transfer to dairy cows and goats	--	(207,437)	(190,237)	--
Exchange difference	(99,128)	60,643	(28,170)	(8,606)
At 30 September/31 March	3,651,592	3,750,720	3,897,514	4,115,921
	82,045,102	69,459,099	55,651,914	46,918,812

The quantity of dairy cows and dairy goats owned by the Group at the end of the reporting period is shown below.

	30.9.2021 Heads	31.3.2021 Heads	31.3.2020 Heads	31.3.2019 Heads
Dairy herds	7,930	7,922	7,384	6,428
Bulls	1,248	1,144	846	768
Goat herds	338	357	332	341
	9,516	9,423	8,562	7,537

The raw milk quantity produced from goat herds and dairy herds owned by the Group during the financial period/year is shown below.

	1.4.2021 to 30.9.2021 Litres	1.4.2020 to 31.3.2021 Litres	1.4.2019 to 31.3.2020 Litres	1.4.2018 to 31.3.2019 Litres
Goat herds	16,781	35,246	49,645	39,706
Dairy herds	12,063,656	22,711,153	23,874,075	18,511,508
	12,080,437	22,746,399	23,923,720	18,551,214

5. Biological assets (continued)

Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Malaysian Farm		
(a) Replacement cost approach Reference to expected cost of purchase of cows by other farms in Malaysia and overseas, adjusted for differences in breed, weight and age group. The table below summarises the price range per head: Cows Calves and heifers: RM5,630 to RM8,030 (31.3.2021: RM4,300 to RM6,400; 31.3.2020: RM3,200 to RM5,300; 31.3.2019: RM2,000 to RM4,000) Milkable cows: RM10,390 to RM11,830 (31.3.2021: RM8,490 to RM9,750; 31.3.2020: RM7,400 to RM8,700; 31.3.2019: RM8,135 to RM8,635)	Price per head of comparable breed and age group.	The estimated fair value would increase/ (decrease) if the price per head is higher/ (lower).
(b) Comparison approach Reference to sale price of comparable goat herds and bulls and adjusted for differences in key attributes such as breed and age. The table below summarises the price range per head: Goat herds RM500 to RM3,800 (31.3.2021: RM500 to RM3,800; 31.3.2020: RM500 to RM3,800; 31.3.2019: RM500 to RM3,800) Bulls RM2,000 to RM5,000 (31.3.2021: RM2,000 to RM5,000; 31.3.2020: RM2,000 to RM5,000; 31.3.2019: RM2,000 to RM5,000)		
Australian Farm		
Comparison approach: Reference to sale price of comparable goat herds and bulls and adjusted for differences in key attributes such as breed and age. The table below summarises the price range per head: Cows Calves and heifers: RM3,017 to RM4,827 (31.3.2021: RM3,163 to RM4,428; 31.3.2020: RM2,890 to RM4,046; 31.3.2019: RM2,888 to RM4,044) Milkable cows: RM7,240 (31.3.2021: RM6,325; 31.3.2020: RM5,411; 31.3.2019: RM5,199)	Price per head of comparable breed and age group.	The estimated fair value would increase/ (decrease) if the price per head is higher/ (lower).

5. Biological assets (continued)

Level 3 fair value (continued)

The fair value of semen and embryos cannot be measured reliably as there is no active market and transaction data available. The semen and embryos were bought for own use to improve the genetic quality of the dairy cows and transferred to dairy cows based on the consumption.

No amortisation for the semen and embryos as there is no expiration date on frozen semen and embryos as these are properly stored.

The Directors monitor on the key factors in determining the fair value such as comparable sales price and foreign exchange rate affecting import price as part of their financial risk management on biological assets.

6. Intangible assets

	Water-use license RM	Goodwill RM	Software RM	Trademark RM	Total RM
At 1 April 2018	7,777,067	--	--	--	7,777,067
Exchange difference	(196,092)	--	--	--	(196,092)
At 31 March 2019	7,580,975	--	--	--	7,580,975
At 1 April 2019	7,580,975	--	--	--	7,580,975
Acquisition of a business	2,993,428	4,471,243	--	--	7,464,671
Exchange difference	(819,850)	(304,395)	--	--	(1,124,245)
At 31 March 2020	9,754,553	4,166,848	--	--	13,921,401
At 1 April 2020	9,754,553	4,166,848	--	--	13,921,401
Addition	--	--	3,364,691	106,270	3,470,961
Amortisation	--	--	(196,366)	(6,943)	(203,309)
Transfer	(11,733)	11,733	--	--	--
Exchange difference	1,856,686	794,186	54,994	--	2,705,866
At 31 March 2021	11,599,506	4,972,767	3,223,319	99,327	19,894,919
At 1 April 2021	11,599,506	4,972,767	3,223,319	99,327	19,894,919
Addition	--	--	166,028	--	166,028
Amortisation	--	--	(113,013)	(5,314)	(118,327)
Exchange difference	(535,102)	(229,401)	(38,466)	--	(802,969)
At 30 September 2021	11,064,404	4,743,366	3,237,868	94,013	19,139,651

The amortisation is recognised as administrative expenses in the consolidated statement of profit or loss and other comprehensive income.

Water-use license

Water-use license is an entitlement to irrigate a specific parcel or parcels of land. The useful lives of the water-use license are estimated to be indefinite as the water-use license is always attached to the owner of the land.

The recoverable amount of water-use license was determined based on the fair value less to costs of disposal. The fair value of water-use license is based on market comparison technique within Level 2. The valuation model is based on market transaction prices published on the relevant authority website. For the purpose of impairment testing, the management has compared the carrying amount against the transaction price published on the relevant authority website as at the financial year end.

Based on the management assessment, no impairment is required as the recoverable amount was higher than carrying amount.

6. Intangible assets (continued)

Goodwill

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the intangible asset is monitored for internal management purpose.

The aggregate carrying amount of goodwill allocated to the unit is as follows:

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Australia's Kyabram facilities and fruit jam and sauces divisions	4,743,366	4,972,767	4,166,848	--

(a) The recoverable amount of a Cash Generating Unit ("CGU") is determined based on value in use calculations. These calculations used cash flow projections based on financial budgets approved by the management for periods covering a five-year period. The management has considered and determined the factors applied in the financial budgets which include budgeted gross margins, pre-tax discount rates and estimated growth rates. The budgeted gross margins are based on past performance and the average growth rates and discount rates used are based on management's best estimate.

(b) The key assumptions used in the value is use calculations are as follows:

(i) Cash flows were projected based on a 5-year business plan.
(ii) Gross margins are projected based on the historical profit margin achieved or predetermined profit margin for the products.
(iii) A pre-tax discount rate of 8% has been applied in determining the recoverable amount of the CGUs. The discount rate was estimated based on weighted average cost of capital of Australian food and beverage industry.
(iv) The subsidiary will continue its operation indefinitely.

Based on the management assessment, no impairment is required as the recoverable amount was higher than carrying amount.

7. Trade and other receivables

	Note	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Non-current					
Net investment in lease	7.1	898,911	1,077,338	830,546	--
Current					
Trade receivables	7.2	78,995,337	77,243,695	63,828,027	32,788,596
Other receivables, deposits and prepayments	7.2	6,855,146	7,989,608	8,175,621	8,971,943
Advance payments	7.3	1,917,023	3,203,155	8,795,241	856,406
Net investment in lease	7.1	354,324	359,714	232,614	--
		88,121,830	88,796,172	81,031,503	42,616,945
		89,020,741	89,873,510	81,862,049	42,616,945

7. Trade and other receivables (continued)

7.1 Net investment in lease

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
At 1 April	1,437,052	1,063,160	--	--
Addition	--	669,867	1,150,112	--
Interest income	33,224	51,049	18,648	--
Lease payments received	(217,041)	(288,576)	(105,600)	--
Derecognition	--	(58,448)	--	--
At 30 September/31 March	1,253,235	1,437,052	1,063,160	--

The Group leases several motor vehicles to third parties. Each of the leases contains an initial non-cancellable period of three to five years, with a fixed rent.

These leases transfer substantially all the risk and rewards incidental to ownership of the motor vehicles. The Group expects the residual value of the motor vehicles at the end of the lease term to be minimal. These leases do not include buy-back agreements or residual value guarantees.

The lease payments to be received are as follows:

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Less than one year	407,527	417,828	279,528	--
One to two years	387,528	392,528	279,528	--
Two to three years	340,666	374,387	254,528	--
Three to four years	185,600	281,950	226,630	--
Four to five years	48,000	120,975	144,325	--
Total undiscounted lease payments	1,369,321	1,587,668	1,184,539	--
Unearned interest income	(116,086)	(150,616)	(121,379)	--
Net investment in lease	1,253,235	1,437,052	1,063,160	--

The following are recognised in profit or loss:

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Gain for new finance lease entered into	--	212,591	450,482	--

7.2 Included in trade and other receivables are amounts due from companies in which certain Directors of the Group have substantial financial interests:

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Trade receivables	11,192	8,570	27,588	3,633,527
Other receivables, deposits and prepayments	--	5,305	1,769,753	685,570
	11,192	13,875	1,797,341	4,319,097

The Group has collected the non-trade portion of amounts due from companies in which certain Directors of the Group have substantial financial interests subsequent to the financial year ended 31 March 2021.

7.3 In respect of advance payments paid to suppliers for raw materials and services to be performed.

8. Deferred tax assets/(liabilities)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Assets				
Trade receivables	47,670	316,747	43,000	43,000
Inventories	358,551	166,278	72,000	72,000
Unabsorbed capital allowances	1,874,000	2,379,794	258,000	2,026,000
Unutilised tax losses	14,165,451	8,831,770	574,000	1,284,917
Derivative liabilities	62,834	--	--	--
Provisions	1,707,439	--	--	--
Others	832,960	843,982	514,350	111,000
Tax assets	19,048,905	12,538,571	1,461,350	3,536,917
Set off of tax	(8,274,965)	(9,185,821)	(1,106,000)	(3,536,917)
Net tax assets	10,773,940	3,352,750	355,350	--
Liabilities				
Property, plant and equipment	(13,039,649)	(12,071,797)	(5,772,000)	(5,563,196)
Change in fair value of biological assets	(4,276,913)	(2,915,621)	--	(851,921)
Tax liabilities	(17,316,562)	(14,987,418)	(5,772,000)	(6,415,117)
Set off of tax	8,274,965	9,185,821	1,106,000	3,536,917
Net tax liabilities	(9,041,597)	(5,801,597)	(4,666,000)	(2,878,200)
Net				
Property, plant and equipment	(13,039,649)	(12,071,797)	(5,772,000)	(5,563,196)
Trade receivables	47,670	316,747	43,000	43,000
Inventories	358,551	166,278	72,000	72,000
Unabsorbed capital allowances	1,874,000	2,379,794	258,000	2,026,000
Unutilised tax losses	14,165,451	8,831,770	574,000	1,284,917
Change in fair value of biological assets	(4,276,913)	(2,915,621)	--	(851,921)
Derivative liabilities	62,834	--	--	--
Provisions	1,707,439	--	--	--
Others	832,960	843,982	514,350	111,000
Net tax assets/(liabilities)	1,732,343	(2,448,847)	(4,310,650)	(2,878,200)

The Company has been granted approval of East Coast Economic Region Incentive ("ECER incentive") under Income Tax Act, 1967 for milk and cheese processing projects. Under the incentives, the Company is allowed to claim income tax exemption on its statutory income arising from qualifying projects for 10 (5+5) years commencing from the first year the Company derives statutory income, i.e. from YA2014. The ECER incentive is subject to and upon fulfilment of the necessary conditions and requirements as specified in the approval letter. Losses incurred before the exemption period and during the exemption period are allowed to be carried forward for utilisation during the post exemption period.

A subsidiary has been granted Agricultural Tax Incentive under Section 127 of Income Tax Act, 1967 for rearing of cows/goats and cows and goats milk processing projects. Under the incentives, the subsidiary is allowed to claim income tax exemption on its statutory income arising from qualifying projects for 10 years commencing from the first year the subsidiary derives statutory income, i.e. from YA2014. Losses incurred before the exemption period and during the exemption period are allowed to be carried forward for utilisation during the post exemption period.

8. Deferred tax assets/(liabilities) (continued)

Recognised deferred tax assets/(liabilities) (continued)

Accordingly, the deferred tax liabilities of the Company and the subsidiary are recognised in the consolidated financial statements to the extent that they are expected to be reversed/utilised after the 10 years exemption period.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items in certain subsidiaries (stated at gross):

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Property, plant and equipment	(9,474,000)	(6,825,000)	(4,155,000)	(4,231,000)
Unabsorbed capital allowances	10,153,000	6,988,000	4,715,000	4,607,000
Unutilised tax losses	4,427,000	13,366,000	676,000	781,000
Change in fair value of biological assets	(5,364,000)	(2,205,000)	(671,000)	(38,000)
Others	567,000	489,000	323,000	160,000
Net tax assets	309,000	11,813,000	888,000	1,279,000

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

The comparative figures have been restated to reflect the revised deferred tax assets carry forward available to the Group.

An amendment is made in the Finance Act 2021 that unutilised tax losses carry forwards up to the year of assessment 2018 be deductible against aggregate statutory income until the year of assessment 2028. Any unutilised tax losses for the year of assessment 2019 onwards can be carried forward for a maximum of 10 consecutive year of assessment.

The unrecognised unutilised tax losses will expire in the following years of assessment:

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
2028	589,000	589,000	589,000	589,000
2029	14,000	14,000	14,000	192,000
2030	1,038,000	1,038,000	73,000	--
2031	561,000	561,000	--	--
2032	2,225,000	--	--	--
No expiry period (see Note (a) below)	--	11,164,000	--	--
	4,427,000	13,366,000	676,000	781,000

(a) Unutilised tax losses do not expire under the Australia's tax legislation.

The unabsorbed capital allowances do not expire under the current tax legislation.

8. Deferred tax assets/(liabilities) (continued)

Movement in temporary differences during the period/year

	At 1 April 2021 RM	Recognised in profit or loss (Note 19) RM	Exchange differences RM	At 30 September 2021 RM
Property, plant and equipment	(12,071,797)	(1,041,776)	73,924	(13,039,649)
Trade receivables	316,747	(268,885)	(192)	47,670
Inventories	166,278	201,564	(9,291)	358,551
Unabsorbed capital allowances	2,379,794	(505,794)	--	1,874,000
Unutilised tax losses	8,831,770	5,825,568	(491,887)	14,165,451
Change in fair value of biological assets	(2,915,621)	(1,444,248)	82,956	(4,276,913)
Derivatives	--	65,422	(2,588)	62,834
Provisions	--	1,777,771	(70,332)	1,707,439
Others	843,982	38,297	(49,319)	832,960
	(2,448,847)	4,647,919	(466,729)	1,732,343

	At 1 April 2020 RM	Recognised in profit or loss (Note 19) RM	Exchange differences RM	At 31 March 2021 RM
Property, plant and equipment	(5,772,000)	(6,133,288)	(166,509)	(12,071,797)
Trade receivables	43,000	257,601	16,146	316,747
Inventories	72,000	89,413	4,865	166,278
Unabsorbed capital allowances	258,000	2,121,794	--	2,379,794
Unutilised tax losses	574,000	7,847,384	410,386	8,831,770
Change in fair value of biological assets	--	(2,810,895)	(104,726)	(2,915,621)
Others	514,350	246,767	82,865	843,982
	(4,310,650)	1,618,776	243,027	(2,448,847)

	At 1 April 2019 RM	Recognised in profit or loss (Note 19) RM	Acquisition of a business (Note 28) RM	Exchange differences RM	At 30 March 2020 RM
Property, plant and equipment	(5,563,196)	(208,804)	--	--	(5,772,000)
Trade receivables	43,000	--	--	--	43,000
Inventories	72,000	--	--	--	72,000
Unabsorbed capital allowances	2,026,000	(1,768,000)	--	--	258,000
Unutilised tax losses	1,284,917	(710,917)	--	--	574,000
Change in fair value of biological assets	(851,921)	848,275	--	3,646	--
Others	111,000	48,000	381,308	(25,958)	514,350
	(2,878,200)	(1,791,446)	381,308	(22,312)	(4,310,650)

8. Deferred tax assets/(liabilities) (continued)

Movement in temporary differences during the year (continued)

	At 1 April 2018 RM	Recognised in profit or loss (Note 19) RM	Exchange differences RM	At 31 March 2019 RM
Property, plant and equipment	(3,109,000)	(2,456,642)	2,446	(5,563,196)
Trade receivables	--	43,000	--	43,000
Inventories	--	72,000	--	72,000
Unabsorbed capital allowances	1,127,000	899,000	--	2,026,000
Unutilised tax losses	867,000	433,607	(15,690)	1,284,917
Change in fair value of biological assets	(1,022,561)	218,860	(48,220)	(851,921)
Others	46,000	65,000	--	111,000
	(2,091,561)	(725,175)	(61,464)	(2,878,200)

9. Inventories

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Raw material	51,199,223	59,338,470	15,623,297	11,432,430
Milk	10,826,778	16,757,036	8,218,701	5,906,197
Consumables	9,963,802	9,782,715	6,204,282	5,446,566
Goods-in-transit	13,737,784	9,186,008	2,125,594	2,285,119
Finished goods	9,882,716	9,359,275	7,828,044	3,791,964
Work-in-progress	363,727	611,135	156,126	837,748
	95,974,030	105,034,639	40,156,044	29,700,024

	1.4.2021 to 30.9.2021 RM	1.4.2020 to 31.3.2021 RM	1.4.2019 to 31.3.2020 RM	1.4.2018 to 31.3.2019 RM
Recognised in profit or loss:				
- Inventories recognised as cost of sales	191,009,235	348,998,100	223,013,276	123,532,582
- Write down of obsolete and slow-moving inventories	721,657	614,402	--	300,000
	191,730,892	349,612,502	223,013,276	123,832,582

10. Cash and cash equivalents

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Cash and bank balances	59,578,447	11,673,637	7,478,507	2,486,950
Deposits placed with licensed banks	50,000	50,000	--	1,000,000
Cash and cash equivalents in the consolidated statements of financial position	59,628,447	11,723,637	7,478,507	3,486,950
Less: Bank overdraft	--	(14,272,336)	(7,955,091)	(4,257,502)
Cash and cash equivalents in the consolidated statements of cash flows	59,628,447	(2,548,699)	(476,584)	(770,552)

11. Capital and reserves

Share capital

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares:				
At 1 April	87,779,796	87,779,796	87,779,796	27,779,796
Shares issued	--	--	--	60,000,000
At 30 September/31 March	87,779,796	87,779,796	87,779,796	87,779,796

	Number of ordinary shares			
	30.9.2021	31.3.2021	31.3.2020	31.3.2019
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares:				
At 1 April	84,999,999	84,999,999	84,999,999	24,999,999
Shares issued	--	--	--	60,000,000
At 30 September/31 March	84,999,999	84,999,999	84,999,999	84,999,999

Reserves

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Non-distributable				
Translation reserve	(3,419,921)	4,024,142	(5,101,207)	(1,490,685)
Distributable				
Retained earnings	193,582,035	142,839,375	106,611,297	71,391,438
	190,162,114	146,863,517	101,510,090	69,900,753

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of the Group entities with functional currencies other than RM.

12. Non-controlling interests

The Group's subsidiaries that have material non-controlling interest ("NCI") are as follows:

	The Holstein Milk Company (Australia) Pty Ltd and its subsidiaries	Other individually immaterial subsidiaries	Total
1.4.2021 to 30.9.2021			
NCI percentage of ownership interest and voting interest	20%		
	RM'000	**RM'000**	**RM'000**
Carrying amount of NCI as at 30 September 2021	4,589	311	4,900
Loss allocated to NCI	(1,039)	(218)	(1,257)
1.4.2020 to 31.3.2021			
NCI percentage of ownership interest and voting interest	20%		
	RM'000	**RM'000**	**RM'000**
Carrying amount of NCI as at 31 March 2021	5,858	529	6,387
(Loss)/Profit allocated to NCI	(3,514)	114	(3,400)
1.4.2019 to 31.3.2020			
NCI percentage of ownership interest and voting interest	20%		
	RM'000	**RM'000**	**RM'000**
Carrying amount of NCI as at 31 March 2020	8,060	415	8,475
Loss allocated to NCI	(253)	(584)	(837)
1.4.2018 to 31.3.2019			
NCI percentage of ownership interest and voting interest	20%		
	RM'000	**RM'000**	**RM'000**
Carrying amount of NCI as at 31 March 2019	5,131	1,000	6,131
Loss allocated to NCI	(59)	--	(59)

12. Non-controlling interests (continued)

	30.9.2021 RM'000	31.3.2021 RM'000	31.3.2020 RM'000	31.3.2019 RM'000
The Holstein Milk Company (Australia)Pty Ltd and its subsidiaries				
Summarised financial information before intra-group elimination				
As at 30 September/ 31 March				
Non-current assets	161,109	158,335	82,305	44,829
Current assets	186,363	142,578	21,434	7,942
Non-current liabilities	(93,646)	(55,787)	(14,989)	(16,358)
Current liabilities	(230,880)	(215,836)	(48,726)	(19,031)
Net assets	22,946	29,290	40,024	17,382
Period/Year ended 30 September/31 March				
Revenue	91,496	84,515	32,795	18,852
Loss for the period/year	(5,197)	(17,570)	(1,565)	(294)
Cash flows used in operating activities	(46,626)	(31,402)	(11,273)	(1,966)
Cash flows used in investing activities	(71,635)	(76,437)	(43,757)	(11,128)
Cash flows from financing activities	66,317	97,075	55,407	12,385
Net (decrease)/increase in cash and cash equivalents	(51,944)	(10,764)	377	(709)

13. Loans and borrowings

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Non-current				
Unsecured				
Loan from a shareholder	--	--	31,000,000	--
Secured				
Sukuk	200,000,000	--	--	--
Hire purchase liabilities	16,942,961	41,409,818	13,891,307	7,971,574
Term loans	23,505,999	59,604,938	45,242,543	32,381,168
	240,448,960	101,014,756	90,133,850	40,352,742
Current				
Unsecured				
Loan from a shareholder	--	34,012,603	--	--
Secured				
Sukuk	2,547,945	--	--	--
Hire purchase liabilities	4,963,604	16,240,753	7,777,128	3,613,624
Short term financing	163,857	1,085,755	--	--
Term loans	1,267,560	9,062,916	4,532,461	3,903,375
Bankers' acceptances	27,598,201	62,179,558	38,277,559	7,917,239
Bank overdraft	--	14,272,336	7,955,091	4,257,502
Revolving credits	--	4,074,000	--	--
	36,541,167	140,927,921	58,542,239	19,691,740
	276,990,127	241,942,677	148,676,089	60,044,482

13. Loans and borrowings (continued)

Security

The Group's loans and borrowings are secured by:

i) Group's land and buildings and right-of-use assets as disclosed in Notes 3 and 4 respectively;
ii) Joint and several guarantee by certain Directors; and
iii) Corporate guarantee by the Company and a subsidiary.

Significant covenants

Certain borrowings are subject to the following covenants:

i) Debt-to-equity ratio of the Group shall not exceed 1.0 time.
ii) EBITDA interest cover ratio of the Group shall not exceed 3.50 time.
iii) Debt-to-capitalisation ratio of the Australian's subsidiaries shall not exceed 0.50 time.
iv) EBITDA interest cover ratio of the Australian's subsidiaries shall not exceed 3.50 time.

The Australian's subsidiaries were in breach of the debt-to-capitalisation ratio and received a waiver from the bank on 30 September 2021 in respect of this covenant.

Sukuk

The Group and the Company have established a Sukuk Wakalah Programme ("Sukuk") of RM1.0 billion in nominal value on 18 May 2021, pursuant to which it has issued on 28 May 2021, a RM200 million Sukuk with a maturity date of 28 May 2026, at a profit rate of 3.72% per annum and payable semi-annually.

Loan from a shareholder

Pursuant to the loan agreement dated 5 December 2019, there is a conversion right attached to the loan that allows the shareholder to convert the loan into ordinary shares. The conversion ratio is fixed with a variable element determined based on growth rate of the group as indicated in the audited profit after tax for the financial year ended 31 March 2020 and the financial year ended 31 March 2021. The loan has been fully settled during the financial period ended 30 September 2021.

Hire purchase liabilities

Hire purchase liabilities are payable as follows:

	Future minimum lease payments RM	Interest RM	Present value of minimum lease payments RM
30.9.2021			
Less than one year	5,867,044	903,440	4,963,604
Between one and five years	18,547,560	1,604,599	16,942,961
	24,414,604	2,508,039	21,906,565
31.3.2021			
Less than one year	18,197,980	1,957,227	16,240,753
Between one and five years	43,991,509	2,581,691	41,409,818
	62,189,489	4,538,918	57,650,571

13. Loans and borrowings (continued)

Hire purchase liabilities (continued)

	Future minimum lease payments RM	Interest RM	Present value of minimum lease payments RM
31.3.2020			
Less than one year	8,824,333	1,047,205	7,777,128
Between one and five years	14,939,615	1,048,308	13,891,307
	23,763,948	2,095,513	21,668,435
31.3.2019			
Less than one year	4,208,784	595,160	3,613,624
Between one and five years	8,651,473	679,899	7,971,574
	12,860,257	1,275,059	11,585,198

14. Deferred income

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Government grant received				
At 1 April	8,010,455	7,558,774	7,558,774	6,557,236
Additions	--	451,681	--	1,001,538
At 30 September/ 31 March	8,010,455	8,010,455	7,558,774	7,558,774
Less: Amortisation				
At 1 April	(972,331)	(705,855)	(444,049)	(214,399)
Charge for the period/year	(135,349)	(266,476)	(261,806)	(229,650)
At 30 September/ 31 March	(1,107,680)	(972,331)	(705,855)	(444,049)
	6,902,775	7,038,124	6,852,919	7,114,725
Carrying amounts of government grant				
Non-current	6,632,078	6,768,263	6,598,723	6,848,860
Current	270,697	269,861	254,196	265,865
	6,902,775	7,038,124	6,852,919	7,114,725

The balances consist of government grants as follow:

- For the project of rehabilitation and replanting of pasture and fodder at the farm in Muadzam Shah. The grant is being amortised over useful life of the paddock;
- For the construction of the building and related infrastructure for milk processing plant at the plant in Muadzam Shah. The grant is being amortised over useful life of the milk processing plant; and
- For the implementation of Napier production projects as a sub-project to national dairy industry development project at Muadzam Shah. The grant is being amortised over useful life of the milk plant.

15. Trade and other payables

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Trade payables	35,628,915	38,234,241	20,084,220	15,285,401
Other payables	19,231,950	24,850,222	15,984,885	11,206,240
Accrued expenses	14,813,498	10,985,196	8,562,189	5,558,146
Accrued advertising and promotional expenses	9,259,653	7,830,837	4,344,396	3,147,577
Due to Directors	868,655	897,881	1,057,621	954,449
Derivative financial liabilities	209,450	280,158	--	--
	80,012,121	83,078,535	50,033,311	36,151,813

Included in trade and other payables of the Group are amounts of RM48,739 (31.3.2021: RM1,109,969; 31.3.2020: RM1,627,197; 31.3.2019: RM836,176) due to a company in which a director cum minority shareholder of a subsidiary has substantial financial interests.

The amounts due to Directors are non-trade in nature, interest free, unsecured and have no fixed terms of repayment.

16. Revenue

	1.4.2021 to 30.9.2021 Audited RM	1.4.2020 to 30.9.2020 Unaudited RM	1.4.2020 to 31.3.2021 Audited RM	1.4.2019 to 31.3.2020 Audited RM	1.4.2018 to 31.3.2019 Audited RM
Revenue from contracts with customers					
-At a point in time	257,186,523	234,423,294	490,498,015	303,067,489	178,226,605

16.1 Nature of goods and services

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable elements in consideration
Manufacturing and distribution of cow's and goat's milk, yogurt and plant-based related products.	Revenue is recognised when the goods are delivered and accepted by the customers	Credit period ranging from 7 - 75 days from invoice date or month-end date	Sales incentives and other sales related expenses are given to customers where the customers meet sales target or based on the agreed advertising and promotional activities

17. Finance income

	1.4.2021 to 30.9.2021 Audited RM	1.4.2020 to 30.9.2020 Unaudited RM	1.4.2020 to 31.3.2021 Audited RM	1.4.2019 to 31.3.2020 Audited RM	1.4.2018 to 31.3.2019 Audited RM
Interest income on net investment in lease	33,222	24,613	51,049	18,648	--
Other finance income	361,869	116,987	176,984	27,289	212,838
	395,091	141,600	228,033	45,937	212,838

18. Finance costs

	1.4.2021 to 30.9.2021 Audited RM	1.4.2020 to 30.9.2020 Unaudited RM	1.4.2020 to 31.3.2021 Audited RM	1.4.2019 to 31.3.2020 Audited RM	1.4.2018 to 31.3.2019 Audited RM
Interest expense on lease liabilities	166,399	122,455	249,129	234,022	217,362
Other finance costs	5,483,708	3,927,595	9,735,212	6,246,683	4,278,994
	5,650,107	4,050,050	9,984,341	6,480,705	4,496,356
Less: Interest accrual	(2,586,494)	(1,530,856)	(3,152,084)	(1,176,655)	(835,811)
	3,063,613	2,519,194	6,832,257	5,304,050	3,660,545

19. Tax (credit)/expense

Recognised in profit or loss

Major components of income tax (credit)/expense include:

	Note	1.4.2021 to 30.9.2021 Audited RM	1.4.2020 to 30.9.2020 Unaudited RM	1.4.2020 to 31.3.2021 Audited RM	1.4.2019 to 31.3.2020 Audited RM	1.4.2018 to 31.3.2019 Audited RM
Current tax expense						
- Current period/years		857,000	3,822,940	10,671,033	256	73,496
- Prior period/years		2,186	--	--	2,186	5,414
		859,186	3,822,940	10,671,033	2,442	78,910
Deferred tax (credit)/ expense						
- Origination and reversal of temporary differences		(1,720,114)	(310,477)	(1,130,065)	1,314,446	1,148,175
- (Over)/Under provision in prior period/years		(2,927,805)	(336,440)	(488,711)	477,000	(423,000)
		(4,647,919)	(646,917)	(1,618,776)	1,791,446	725,175
Additional tax for prior period/years	19.1	--	25,708,582	25,708,582	--	--
Reversal of tax	19.1	(10,490,033)	--	--	--	--
		(14,278,766)	28,884,605	34,760,839	1,793,888	804,085

19. Tax (credit)/expense (continued)

	Note	1.4.2021 to 30.9.2021 Audited RM'000	1.4.2020 to 30.9.2020 Unaudited RM'000	1.4.2020 to 31.3.2021 Audited RM'000	1.4.2019 to 31.3.2020 Audited RM'000	1.4.2018 to 31.3.2019 Audited RM'000
Reconciliation of tax (credit)/expense						
Profit before tax		35,206	37,515	67,589	36,176	28,181
Income tax calculated using Malaysian tax rate of 24%		8,406	9,003	16,222	8,682	6,763
Non-deductible expenses		616	438	2,506	776	126
Non-taxable income		--	--	--	--	(39)
Tax incentive		(6,004)	(4,478)	(11,255)	(7,946)	(5,691)
Effect of unrecognised deferred tax assets		(3,082)	(1,257)	3,292	(94)	226
Effect of different tax rate in foreign jurisdictions		(799)	(193)	(1,223)	(103)	(163)
		(863)	3,513	9,542	1,315	1,222
(Over)/Under provision in prior period/years						
- Current tax and deferred tax		(2,926)	(336)	(489)	479	(418)
- Additional tax for prior period/years	19.1	--	25,708	25,708	--	--
- Reversal of tax	19.1	(10,490)	--	--	--	--
		(13,416)	25,372	25,219	479	(418)
Tax (credit)/expense		(14,279)	28,885	34,761	1,794	804

19.1 As disclosed in Note 8, a subsidiary has been granted Agricultural Tax Incentive for the rearing of goats/cows and milk processing projects. While the subsidiary filed its prior years taxes on the basis that it enjoyed full tax incentive on its operation, certain milk processing plants of the subsidiary had not been notified to the Ministry of Agriculture and Food Industries Malaysia and consequently not added as approved locations on a timely basis. In the preparation of the audited financial statements for the year ended 31 March 2021, based on the resolution with the Inland Revenue Board ("IRB"), an additional tax payable and penalty (Additional Tax Amount) of RM25,708,582 has been provided in respect of these locations for the relevant prior years of assessment ("YA") from 2014 to 2020 (RM5,870,334 relates to YA 2020, RM5,139,424 relates to YA 2019 and the remaining amount of RM14,698,824 relates to YA 2014 to 2018).

Further, the Ministry of Finance ("MOF") has approved the application for inclusion of the additional locations, starting from YA 2022 onwards. Hence, tax was also provided in respect of these locations for YA 2021 in the audited financial statements for the year ended 31 March 2021.

Upon a subsequent application to the MOF, the subsidiary has received approval that the additional locations are approved for a new Tax Incentive under Section 127 (3A) of Income Tax Act, 1967. Under the incentive, the subsidiary is allowed to claim income tax exemption on its statutory income arising from qualifying projects conducted in the additional locations for 10 (5+5) years commencing from YA 2021.

Accordingly, the tax payable amount of RM10,490,033 for YA 2021 previously recorded for in the financial year ended 31 March 2021 is reversed in the financial period ended 30 September 2021.

20. Profit for the period/year

	Note	1.4.2021 to 30.9.2021 Audited RM	1.4.2020 to 30.9.2020 Unaudited RM	1.4.2020 to 31.3.2021 Audited RM	1.4.2019 to 31.3.2020 Audited RM	1.4.2018 to 31.3.2019 Audited RM
Profit for the period/ year is arrived at after charging/ (crediting)						
Depreciation and amortisation:						
- Property, plant and equipment		13,043,050	8,015,412	19,973,666	12,813,429	7,364,711
- Right-of-use assets		774,396	573,143	1,236,926	1,129,761	926,399
- Intangible assets		118,327	2,060	203,309	--	--
Expenses relating to short-term leases	a	2,614,181	654,399	2,781,426	490,057	72,814
Expenses relating to leases of low-value assets	a	10,686	14,764	24,051	223,658	13,084
Write down of obsolete and slow-moving inventories		721,657	--	614,402	--	300,000
Impairment loss/(Reversal of impairment loss) on:						
- Property, plant and equipment		80,129	--	4,212,235	--	--
- Trade receivables		(72,282)	--	609,145	--	180,000
(Gain)/Loss on disposal of property, plant and equipment		(3,170)	1,647	(462,667)	(544,700)	334,140
Personnel expenses (including key management personnel):						
- Contribution to state plans		2,003,111	1,323,973	3,186,432	2,211,811	1,191,467
- Wages, salaries and others		23,984,095	13,440,688	38,041,353	24,211,663	17,754,089
Written off other receivables		--	--	411,486	--	--
Rental income from subleasing of property		(827,586)	(404,810)	(1,012,969)	--	--
Rental concession income		(109,793)	--	(224,700)	--	--
Redundancy costs		4,929,876	--	3,099,374	--	--
Government grant income	b	--	(1,526,785)	(2,462,563)	--	--
Amortisation of deferred income		(135,349)	(131,127)	(266,476)	(261,806)	(229,650)
Net foreign exchange (gain)/loss		(38,939)	(75,499)	(14,055)	137,814	72,127
(Gain)/Loss arising from changes in fair value of dairy cows and goats:						
- Malaysian Farm		(8,229,071)	95,119	(3,996,068)	(1,185,197)	(3,410,792)
- Australian Farm		(1,994,819)	(1,161,053)	(325,137)	(174,332)	468,277

Note a

The Group leases office and office equipment with contract terms of 1 to 2 years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Note b

The government grant income was a non-recurring subsidy from Australian Government in respect of financial assistance on the Covid-19 pandemic outbreak.

21. Earnings per ordinary share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share as at each reporting periods was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	1.4.2021 to 30.9.2021 Audited RM	1.4.2020 to 30.9.2020 Unaudited RM	1.4.2020 to 31.3.2021 Audited RM	1.4.2019 to 31.3.2020 Audited RM	1.4.2018 to 31.3.2019 Audited RM
Profit for the period/year attributable to owners	50,742,660	9,384,148	36,228,078	35,219,859	27,435,359

Weighted average number of ordinary shares are determined as follows:

	1.4.2021 to 30.9.2021 Audited	1.4.2020 to 30.9.2020 Unaudited	1.4.2020 to 31.3.2021 Audited	1.4.2019 to 31.3.2020 Audited	1.4.2018 to 31.3.2019 Audited
Weighted average number of ordinary shares	84,999,999	84,999,999	84,999,999	84,999,999	55,575,341
Effect of bonus issue (Note 30)	1,550,000,138	1,550,000,138	1,550,000,138	1,550,000,138	1,013,432,799
	1,635,000,137	1,635,000,137	1,635,000,137	1,635,000,137	1,069,008,140
Basic earnings per ordinary share (sen)	3.1	0.6	2.2	2.2	2.6

Diluted earnings per ordinary share

Pursuant to Note 13, the loan from a shareholder with attached conversion rights to ordinary shares has been fully settled during the financial period ended 30 September 2021. The calculation of diluted earnings per ordinary share as at each reporting periods was based on profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

	1.4.2021 to 30.9.2021 Audited RM	1.4.2020 to 30.9.2020 Unaudited RM	1.4.2020 to 31.3.2021 Audited RM	1.4.2019 to 31.3.2020 Audited RM	1.4.2018 to 31.3.2019 Audited RM
Profit attributable to ordinary shareholders (basic)	50,742,660	9,384,148	36,228,078	35,219,859	27,435,359
Interest expense on compound, instruments net of tax	--	1,144,789	2,289,578	760,000	--
Profit for the year attributable to owners (diluted)	50,742,660	10,528,937	38,517,656	35,979,859	27,435,359

21. Earnings per ordinary share (continued)

Diluted earnings per ordinary share (continued)

Weighted average number of ordinary shares (diluted):

	1.4.2021 to 30.9.2021 Audited	1.4.2020 to 30.9.2020 Unaudited	1.4.2020 to 31.3.2021 Audited	1.4.2019 to 31.3.2020 Audited	1.4.2018 to 31.3.2019 Audited
Weighted average number of ordinary shares (basic)	1,635,000,137	1,635,000,137	1,635,000,137	1,635,000,137	1,069,008,140
Effect of conversion right (Note 13)	--	93,195,008	93,195,008	93,195,008	--
Weighted average number of ordinary shares (diluted)	1,635,000,137	1,728,195,145	1,728,195,145	1,728,195,145	1,069,008,140

The average market value of the Company's shares for purpose of calculating the dilutive effect of share options was based on the average price per share for the period during which the options were outstanding.

	1.4.2021 to 30.9.2021 Audited	1.4.2020 to 30.9.2020 Unaudited	1.4.2020 to 31.3.2021 Audited	1.4.2019 to 31.3.2020 Audited	1.4.2018 to 31.3.2019 Audited
Diluted earnings per ordinary share (sen)	3.1	0.6	2.2	2.1	2.6

The basic and diluted weighted average number of ordinary shares of previous period/years were restated to reflect the retrospective adjustments arising from the bonus issue completed on 27 December 2021 in accordance with MFRS 133, *Earnings Per Share*.

22. Operating segments

Group

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require marketing strategies. For each of the strategic business units, the Chief Operating Decision Maker ("CODM") (i.e. the Group's Managing Director and Group Chief Executive Officer) reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Malaysia's operation — Includes production and marketing and sale of cow's and goat's milk, yogurt, and plant-based soya, oat and other related products.
- Australia's operation — Includes rearing of dairy cows, production and marketing and sale of cow's milk, jam and sauces.

Performance is measured based on segment profit before tax, finance income, finance costs, depreciation and amortisation, as included in the internal management reports that are reviewed by CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

22. Operating segments (continued)

Segment assets and liabilities information is neither included in the internal management reports nor provided regularly to the Group Managing Director. Hence, no disclosure is made on segment assets and liabilities.

	Malaysia's Operation RM'000	Australia's Operation RM'000	Total RM'000
1.4.2021 to 30.9.2021			
Audited			
Segment profit/(loss)	46,923	(11,716)	35,207
Included in the measure of segment profit are:			
Revenue from external customers	227,650	29,537	257,187
Depreciation and amortisation	(10,411)	(3,524)	(13,935)
Impairment loss on property, plant and equipment	--	(80)	(80)
Redundancy costs	--	(4,930)	(4,930)
Finance costs	(4,364)	(1,286)	(5,650)
Finance income	335	60	395
Information provided to Group Managing Director			
Additions to non-current assets other than financial instruments and deferred tax assets	30,689	8,220	38,909
1.4.2020 to 30.9.2020			
Unaudited			
Segment profit/(loss)	40,833	(3,318)	37,514
Included in the measure of segment profit are:			
Revenue from external customers	208,242	26,181	234,423
Depreciation and amortisation	(7,873)	(718)	(8,591)
Finance costs	(3,217)	(833)	(4,050)
Finance income	142	--	142
Information provided to Group Managing Director			
Additions to non-current assets other than financial instruments and deferred tax assets	27,335	38,095	65,430

22. Operating segments (continued)

	Malaysia's Operation RM'000	Australia's Operation RM'000	Total RM'000
1.4.2020 to 31.3.2021			
Audited			
Segment profit/(loss)	88,173	(20,584)	67,589
Included in the measure of segment profit are:			
Revenue from external customers	438,783	51,715	490,498
Depreciation and amortisation	(17,740)	(3,674)	(21,414)
Impairment loss on property, plant and equipment	--	(4,212)	(4,212)
Redundancy costs	--	(3,099)	(3,099)
Finance costs	(7,023)	(2,961)	(9,984)
Finance income	228	--	228
Information provided to Group Managing Director			
Additions to non-current assets other than financial instruments and deferred tax assets	77,246	62,945	140,191
1.4.2019 to 31.3.2020			
Audited			
Segment profit/(loss)	38,053	(1,877)	36,176
Included in the measure of segment profit are:			
Revenue from external customers	272,878	30,189	303,067
Depreciation and amortisation	(13,297)	(646)	(13,943)
Finance costs	(4,768)	(1,713)	(6,481)
Finance income	46	--	46
Information provided to Group Managing Director			
Additions to non-current assets other than financial instruments and deferred tax assets	67,633	29,833	97,466
1.4.2018 to 31.3.2019			
Audited			
Segment profit/(loss)	29,213	(1,032)	28,181
Included in the measure of segment profit are:			
Revenue from external customers	162,387	15,840	178,227
Depreciation and amortisation	(8,115)	(176)	(8,291)
Finance costs	(3,404)	(1,092)	(4,496)
Finance income	213	--	213
Information provided to Group Managing Director			
Additions to non-current assets other than financial instruments and deferred tax assets	53,490	8,198	61,688

22. Operating segments (continued)

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers.

	Revenue				
	1.4.2021 to 30.9.2021 Audited RM'000	**1.4.2020 to 30.9.2020 Unaudited RM'000**	**1.4.2020 to 31.3.2021 Audited RM'000**	**1.4.2019 to 31.3.2020 Audited RM'000**	**1.4.2018 to 31.3.2019 Audited RM'000**
Malaysia	217,453	198,856	420,072	262,670	155,058
Australia	29,537	26,181	51,715	30,189	15,840
Singapore	9,858	9,386	17,817	10,208	7,329
Brunei	339	--	894	--	--
Total	257,187	234,423	490,498	303,067	178,227

Major customers

The following are major customers with revenue equal to or more than 10% of the Group's total revenue:

	Revenue RM'000	**Segment**
1.4.2021 to 30.9.2021		
Audited		
Customer A	34,024	Malaysia's operation
1.4.2020 to 30.9.2020		
Unaudited		
Customer A	27,531	Malaysia's operation
1.4.2020 to 31.3.2021		
Audited		
Customer A	60,249	Malaysia's operation
1.4.2019 to 31.3.2020		
Audited		
Customer A	32,632	Malaysia's operation
1.4.2018 to 31.3.2019		
Audited		
Customer A	21,242	Malaysia's operation

23. Financial instruments

23.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Amortised cost ("AC")
(b) Fair value through profit or loss ("FVTPL")
- Mandatorily required by MFRS 9

	Carrying amount RM'000	AC RM'000	Mandatorily at FVTPL RM'000
30.9.2021			
Financial assets			
Trade and other receivables	85,850	85,850	--
Cash and cash equivalents	59,628	59,628	--
	145,478	145,478	--
Financial liabilities			
Loans and borrowings	(276,990)	(276,990)	--
Trade and other payables	(79,803)	(79,803)	--
Derivative financial liabilities	(209)	--	(209)
	(357,002)	(356,793)	(209)
31.3.2021			
Financial assets			
Trade and other receivables	85,233	85,233	--
Cash and cash equivalents	11,724	11,724	--
	96,957	96,957	--
Financial liabilities			
Loans and borrowings	(241,943)	(241,943)	--
Trade and other payables	(82,798)	(82,798)	--
Derivative financial liabilities	(280)	--	(280)
	(325,021)	(324,741)	(280)
31.3.2020			
Financial assets			
Trade and other receivables	71,173	71,173	--
Cash and cash equivalents	7,479	7,479	--
	78,652	78,652	--
Financial liabilities			
Loans and borrowings	(148,676)	(148,676)	--
Trade and other payables	(50,033)	(50,033)	--
	(198,709)	(198,709)	--
31.3.2019			
Financial assets			
Trade and other receivables	41,761	41,761	--
Cash and cash equivalents	3,487	3,487	--
	45,248	45,248	--
Financial liabilities			
Loans and borrowings	(60,044)	(60,044)	--
Trade and other payables	(36,152)	(36,152)	--
	(96,196)	(96,196)	--

23. Financial instruments (continued)

23.2 Net gains and losses arising from financial instruments

	1.4.2021 to 30.9.2021 Audited RM	1.4.2020 to 30.9.2020 Unaudited RM	1.4.2020 to 31.3.2021 Audited RM	1.4.2019 to 31.3.2020 Audited RM	1.4.2018 to 31.3.2019 Audited RM
Net gains/(losses) on:					
Fair value through profit and loss					
- Mandatorily required by MFRS 9	(69,288)	(505,601)	(263,389)	--	--
Financial assets at amortised cost	1,359,516	116,987	(738,103)	27,289	23,729
Financial liabilities at amortised cost	(6,871,577)	(3,920,935)	(9,563,312)	(6,384,497)	(4,351,121)
	(5,581,349)	(4,309,549)	(10,564,804)	(6,357,208)	(4,327,392)

23.3 Financial risk management

The Group has exposure to the following risks from its financial instruments:

- Credit risk
- Liquidity risk
- Market risk

23.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. There are no significant changes as compared to prior period.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to prior period.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, there was no significant concentrations of credit risk and maximum exposure to credit risk arising from trade receivables, amounts due from subsidiaries are represented by the carrying amounts in the consolidated statement of financial position.

23. Financial instruments (continued)

23.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment loss

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. The Group grants credit period ranging from 7 - 75 days from invoice date or month-end date. Hence, any receivables having significant balances past due more than 90 days, shall be considered as credit impaired and monitored individually.

The Group uses an allowance matrix to measure expected credit losses ("ECLs") of trade receivables. Consistent with the debt recovery process, invoices which are past due 90 days will be considered as credit impaired.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

Loss rates are based on actual credit loss experience over the past three years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at the end of the reporting date which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
30.9.2021			
Current (not past due)	61,703	--	61,703
1 - 30 days past due	14,930	--	14,930
31 - 60 days past due	1,811	--	1,811
61 - 90 days past due	132	--	132
	78,576	--	78,576
Credit impaired			
More than 90 days past due	594	180	414
Individually impaired	21	16	5
	79,191	196	78,995
31.3.2021			
Current (not past due)	59,010	--	59,010
1 - 30 days past due	16,856	--	16,856
31 - 60 days past due	717	--	717
61 - 90 days past due	233	--	233
	76,816	--	76,816
Credit impaired			
More than 90 days past due	608	180	428
Individually impaired	665	665	--
	78,089	845	77,244

23. Financial instruments (continued)

23.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment loss (continued)

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
31.3.2020			
Current (not past due)	44,177	--	44,177
1 - 30 days past due	16,060	--	16,060
31 - 60 days past due	3,157	--	3,157
61 - 90 days past due	167	--	167
	63,561	--	63,561
Credit impaired			
More than 90 days past due	432	165	267
Individually impaired	31	31	--
	64,024	196	63,828
31.3.2019			
Current (not past due)	23,056	--	23,056
1 - 30 days past due	7,908	--	7,908
31 - 60 days past due	670	--	670
61 - 90 days past due	275	--	275
	31,909	--	31,909
Credit impaired			
More than 90 days past due	1,070	190	880
Individually impaired	6	6	--
	32,985	196	32,789

The movements in the allowance for impairment in respect of trade receivables during the period/year are shown below.

	Credit impaired			
	30.9.2021 RM'000	31.3.2021 RM'000	31.3.2020 RM'000	31.3.2019 RM'000
At 1 April	845	196	196	16
Net remeasurement of loss allowance	(72)	609	--	180
Written off	(615)	--	--	--
Exchange differences	38	40	--	--
At 30 September/31 March	196	845	196	196

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the consolidated statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group is of the view that the loss allowance is not material and hence, it is not provided for.

23. Financial instruments (continued)

23.4 Credit risk (continued)

Other receivables

The Group monitors the exposure to credit risk on individual basis.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the consolidated statement of financial position. There is no history of default on other receivables and there is no indicator these other receivables may default. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group is of the view that the loss allowance is not material and hence, it is not provided for.

Net investment in a lease

Risk management objectives, policies and processes for managing the risk

The Group manages credit risk on net investment in a lease together with its leasing arrangements.

At the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the consolidated statement of financial position.

There is no history of default on the investment in lease and there is no indicator this lease may default. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group is of the view that the loss allowance is not material and hence, it is not provided for.

23.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

23. Financial instruments (continued)

23.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's financial liabilities and lease liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual interest rate/coupon/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
30.9.2021							
Non-derivative financial liabilities							
Secured bankers' acceptances	27,598	1.74 - 3.11	27,598	27,598	--	--	--
Secured hire purchase liabilities	21,907	1.96 - 5.33	21,907	4,964	4,994	11,949	--
Secured term loans	24,774	2.66 - 5.60	26,670	1,782	1,782	20,431	2,675
Trade and other payables	79,803	--	79,803	79,803	--	--	--
Sukuk	202,548	3.72	237,221	7,481	7,420	222,320	--
Lease liabilities	7,186	4.21 - 5.00	11,228	1,363	859	1,644	7,362
Short term financing	164	5.50	164	164	--	--	--
	363,980		404,591	123,155	15,055	256,344	10,037
Derivative financial liabilities							
Forward exchange contracts (gross settled):							
- Outflow	209	--	591	591	--	--	--
- Inflow	--	--	(382)	(382)	--	--	--
	364,189		404,800	123,364	15,055	256,344	10,037
31.3.2021							
Non-derivative financial liabilities							
Loan from a shareholder	34,012	10.00	36,300	36,300	--	--	--
Secured bankers' acceptances	62,180	3.12 - 3.28	62,180	62,180	--	--	--
Secured hire purchase liabilities	57,651	2.46 - 6.09	62,189	18,197	15,509	28,483	--
Secured term loans	68,668	3.75 - 7.35	77,082	11,384	10,796	46,086	8,816
Bank overdraft	14,272	4.21	14,272	14,272	--	--	--
Trade and other payables	83,079	--	83,079	83,079	--	--	--
Revolving credits	4,074	5.60	4,074	4,074	--	--	--
Lease liabilities	7,014	4.21 - 5.00	11,184	1,170	958	1,515	7,541
Short term financing	1,086	5.50	1,086	1,086	--	--	--
	332,036		351,446	231,742	27,263	76,084	16,357
Derivative financial liabilities							
Forward exchange contracts (gross settled):							
- Outflow	280	--	703	703	--	--	--
- Inflow	--	--	(423)	(423)	--	--	--
	332,316		351,726	232,022	27,263	76,084	16,357

23. Financial instruments (continued)

23.5 Liquidity risk (continued)

Maturity analysis (continued)

	Carrying amount RM'000	Contractual interest rate/coupon/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
31.3.2020							
Non-derivative financial liabilities							
Loan from a shareholder	31,000	10.00	36,300	--	--	36,300	--
Secured bankers' acceptances	38,278	3.95 - 4.55	38,278	38,278	--	--	--
Secured hire purchase liabilities	21,668	2.46 - 6.50	23,764	8,824	7,498	7,442	--
Secured term loans	49,775	2.50 - 8.10	53,513	4,532	39,616	7,030	2,335
Bank overdraft	7,955	2.98 - 8.25	7,955	7,955	--	--	--
Trade and other payables	50,033	--	50,033	50,033	--	--	--
Lease liabilities	5,038	5.00	7,874	693	644	1,325	5,212
	203,747		217,717	110,315	47,758	52,097	7,547
31.3.2019							
Non-derivative financial liabilities							
Secured bankers' acceptances	7,917	4.88 - 5.00	7,917	7,917	--	--	--
Secured hire purchase liabilities	11,585	2.29 - 4.50	12,860	4,209	3,917	4,734	--
Secured term loans	36,285	3.75 - 8.00	41,610	5,807	21,362	10,681	3,760
Bank overdraft	4,258	4.80	4,258	4,258	--	--	--
Trade and other payables	36,152	--	36,152	36,152	--	--	--
Lease liabilities	4,432	5.00	7,565	322	456	1,167	5,620
	100,629		110,362	58,665	25,735	16,582	9,380

23.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Group's financial position or cash flows.

Currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily US Dollar ("USD"), Singapore Dollar ("SGD"), Euro ("EUR"), Australian Dollar ("AUD") and New Zealand Dollar ("NZD").

Risk management objectives, policies and processes for managing the risk

The Group does not hedge their financial assets and liabilities.

Foreign exchange exposures in transactional currencies other than the functional currency of the Group is kept to an acceptable level.

23. Financial instruments (continued)

23.6 Market risk (continued)

Currency risk (continued)

Exposure to foreign currency risk

The Group's exposure to foreign currencies (a currency which is other than the functional currency of Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	Denominated in USD RM'000	SGD RM'000	EUR RM'000	AUD RM'000	NZD RM'000
30.9.2021					
Cash and cash equivalents	1	32	--	1	--
Trade and other receivables	47	3,238	--	--	--
Trade and other payables	(40)	(48)	(162)	(1,043)	--
	8	3,222	(162)	(1,042)	--
31.3.2021					
Cash and cash equivalents	6	118	2	3	--
Trade and other receivables	1,346	2,601	--	--	--
Trade and other payables	(564)	(35)	(301)	(1,059)	(1,285)
	788	2,684	(299)	(1,056)	(1,285)
31.3.2020					
Cash and cash equivalents	6	230	2	239	--
Trade and other receivables	--	3,304	63	2	--
Trade and other payables	(777)	(55)	(1,260)	(1,627)	--
	(771)	3,479	(1,195)	(1,386)	--
31.3.2019					
Cash and cash equivalents	1	--	1	1	--
Trade and other receivables	42	3,796	--	--	--
Trade and other payables	(472)	--	(1,041)	(923)	--
	(429)	3,796	(1,040)	(922)	--

Currency risk sensitivity analysis

A 10% (31.3.2021: 10%; 31.3.2020: 10%; 31.3.2019: 10%) strengthening of the Ringgit Malaysia against the following currencies at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted shares and purchases.

	Profit or loss 30.9.2021 RM'000	31.3.2021 RM'000	31.3.2020 RM'000	31.3.2019 RM'000
USD	(1)	(60)	59	33
SGD	(245)	(204)	(264)	(288)
EUR	12	23	91	79
AUD	79	80	105	70
NZD	--	98	--	--

23. Financial instruments (continued)

23.6 Market risk (continued)

Currency risk (continued)

Currency risk sensitivity analysis (continued)

A 10% (31.3.2021: 10%; 31.3.2020: 10%; 31.3.2019: 10%) weakening of Ringgit Malaysia against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

Interest rate risk

The Group's investments in fixed rate deposits and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

Risk management objectives, policies and processes for managing the risk

Exposure to interest risk is monitored on an ongoing basis and the Group endeavours to keep the exposure at an acceptable level.

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments and lease liabilities, based on carrying amounts as at the end of the reporting period was:

	30.9.2021 RM'000	31.3.2021 RM'000	31.3.2020 RM'000	31.3.2019 RM'000
Fixed rate instruments				
Financial assets	1,303	1,487	1,063	1,000
Financial liabilities	(232,376)	(165,776)	(106,285)	(38,504)
Lease liabilities	(7,186)	(7,014)	(5,038)	(4,432)
	(238,259)	(171,303)	(110,260)	(41,936)
Floating rate instruments				
Financial liabilities	(44,614)	(76,167)	(42,391)	(17,109)

Interest rate risk sensitivity analysis

(a) *Fair value sensitivity analysis for fixed rate instruments*

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

23. Financial instruments (continued)

23.6 Market risk (continued)

Interest rate risk (continued)

Interest rate risk sensitivity analysis (continued)

(b) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis point ("bp") in interest rate at the end of the reporting period would have decreased equity and post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss	
	100 bp increase RM'000	**100 bp decrease RM'000**
30.9.2021		
Floating rate instruments	(339)	339
31.3.2021		
Floating rate instruments	(579)	579
31.3.2020		
Floating rate instruments	(322)	322
31.3.2019		
Floating rate instruments	(130)	130

23.7 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables, payables and short term borrowings approximate fair values due to the relatively short term nature of these financial instruments.

The carrying amount of floating rate term loans approximate their fair values as their effective interest rates change according to movements in the market interest rates.

The carrying amount of the hire purchase liabilities approximate their fair values as their effective interest rates are reflective of the current market interest rates.

The carrying amount of the Sukuk approximates its fair values as it was issued in May 2021 and there is no significant change in the market interest rate.

24. Acquisition of property, plant and equipment

	1.4.2021 to 30.9.2021 Audited RM	**1.4.2020 to 30.9.2020 Unaudited RM**	**1.4.2020 to 31.3.2021 Audited RM**	**1.4.2019 to 31.3.2020 Audited RM**	**1.4.2018 to 31.3.2019 Audited RM**
Current year's addition	29,640,617	62,176,049	118,884,742	78,804,012	44,649,240
Less: Property, plant and equipment acquired from hire purchase liabilities	--	(11,527,554)	(43,790,778)	(16,959,030)	(5,940,216)
	29,640,617	50,648,495	75,093,964	61,844,982	38,709,024

25. Capital management

The Group's objectives when managing capital is to maintain a strong capital base to fund its growth and safeguard the Group's ability to continue as a going concern. The Group capital is represented by its total equity in the consolidated statement of financial position.

The Directors monitor the adequacy of capital on an ongoing basis, whilst maintaining optimal debt-to-equity ratio that complies with debt covenants and meets its operating needs. The Group is required to maintain a debt-to-equity ratio of not more than 1.0 time in accordance with the specified formulas as stated in the respective facility agreement and trust deed.

The debt-to-equity ratios monitored by the Group as part of its capital management at 30 September 2021, 31 March 2021, 31 March 2020 and 31 March 2019 were as follows:

	30.9.2021 RM'000	31.3.2021 RM'000	31.3.2020 RM'000	31.3.2019 RM'000
Total loans and borrowings (Note 13)	276,990	241,943	148,676	60,045
Lease liabilities	7,186	7,014	5,038	4,432
Less: Cash and cash equivalents (Note 10)	(59,628)	(11,724)	(7,479)	(3,487)
Net debt	224,548	237,233	146,235	60,990
Total equity	282,842	241,030	197,765	163,811
Debt-to-equity ratio	0.79	0.98	0.74	0.37

There were no changes in the Group's approach to capital management during the financial year.

26. Capital commitment

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Capital expenditure commitment				
Property, plant and equipment				
Contracted but not provided for	7,310,148	1,046,153	6,271,943	1,950,209
Intangible assets				
Contracted but not provided for	331,016	274,021	--	--
	7,641,164	1,320,174	6,271,943	1,950,209

27. Related parties

Identity of related parties

For the purposes of these consolidated financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entity that provides key management personnel services to the Group. The key management personnel include all the Directors of the Group and certain members of senior management of the Group.

The Group has related party relationship with its subsidiaries, person/companies connected to Directors, shareholder, government related entities and key management personnel.

27. Related parties (continued)

Significant related party transactions

The significant related party transactions of the Group are shown below. The balances related to the below transactions are shown in Notes 7, 13 and 15.

	1.4.2021 to 30.9.2021 Audited RM	1.4.2020 to 30.9.2020 Unaudited RM	1.4.2020 to 31.3.2021 Audited RM	1.4.2019 to 31.3.2020 Audited RM	1.4.2018 to 31.3.2019 Audited RM
A. Key management personnel					
Directors					
Remuneration	818,395	1,165,691	3,608,559	1,672,816	1,691,849
Other key management personnel					
Remuneration	1,407,582	87,462	257,803	200,683	143,623
B. Minority shareholder in a subsidiary					
Purchase of biological assets and other animal health related products	3,340,901	83,626	9,692,186	8,751,051	8,944,573
C. Person connected to Directors					
Purchase of motor vehicles	15,000	--	--	200,000	60,597
D. Companies connected to Directors					
Sales of trading goods	--	732,089	1,018,588	5,211,272	5,288,011
Service fees	--	192,000	293,000	202,500	--
Rental expenses	9,000	--	--	--	--
E. Shareholder					
Loan from shareholder	--	--	--	30,000,000	--
Interest accrual	551,507	1,432,877	3,012,603	1,000,000	--
Logistics services from an associate of a shareholder	90,574	553,932	599,462	1,615,441	1,360,444
Rental expenses payable to a subsidiary of a shareholder	--	46,254	57,817	75,612	35,783
Purchase of raw material from a subsidiary of a shareholder	--	180,000	345,000	--	--

27. Related parties (continued)

F. Government - related entities

30% of the Company's shares is held by a wholly-owned subsidiary of Khazanah Nasional Berhad which is owned by the Government of Malaysia.

As a result, the Malaysian Government owned entities (collectively referred to as "government-related entities") are related parties of the Group.

The Group had entered into transactions with government-related entities in the ordinary course of business operations, which include but are not limited to utilities and financial and treasury services. The Group is principally involved in rearing of dairy cows and goats and the production, marketing and sale of consumers' products. These transactions are on commercial terms that are consistently applied to all customers and are comparable to those with other entities that are not government-related and as such are not disclosed in these financial statements.

The estimated monetary value of Directors' benefit-in-kind is NIL (2020: RM65,760; 2019: RM16,440).

28. Acquisition of a business

On 22 October 2019, the Group has entered into business purchase agreement with Shepparton Partners Collective Group to acquire an existing fruit and vegetable processing factory business in Kyabram for a total cash consideration of RM22,795,819 via The Holstein Milk Company (Australia) Pty Ltd ("THMCA"). The transaction was completed on 15 December 2019.

The Group has incorporated a wholly-owned subsidiary under THMCA namely Henry Jones Foods Pty Ltd ("HJFPL") to account for this business acquisition. During the financial year ended 31 March 2020, the subsidiary contributed revenue of RM7,539,745 and loss of RM257,193. If the acquisition had occurred on 1 April 2019, management estimates that consolidated revenue would have been RM319,330,165 and consolidated profit for the financial year would have been RM38,308,136. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 April 2019.

The following summarise the consideration paid and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	RM
Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	9,659,505
Deferred tax assets	381,308
Intangible assets	2,993,428
Inventories	6,561,359
Trade and other payables	(1,271,024)
Fair value of identifiable net assets	18,324,576
Net cash outflow arising from acquisition of a business	
Purchase consideration settled in cash and cash equivalents	22,795,819

28. Acquisition of a business (continued)

Goodwill

Goodwill was recognised as a result of the acquisition as follows:

	RM
Total consideration transferred	22,795,819
Fair value of identifiable net assets	(18,324,576)
Goodwill	4,471,243

The goodwill is attributable mainly to the skills and technical talent of HJFPL's work force, and the synergies expected to be achieved. None of the goodwill recognised is expected to be deductible for income tax purpose.

Acquisition-related costs

The Group incurred acquisition-related costs of RM504,832 related to external legal fees and due diligence costs. The legal fees and due diligence costs have been included in administrative expenses in the Group's consolidated statement of profit or loss and other comprehensive income.

29. Significant event

On 31 March 2021, the Group has filed a legal action in Australia against Shepparton Partners Collective Group for various misrepresentations to The Holsten Milk Company (Australia) Pty Ltd during the course of due diligence of the business acquisition described in Note 28.

In the Directors' opinion, disclosure of any further information about the above matter would be prejudicial to the interests of the Group.

30. Subsequent event

(a) On 27 December 2021, the Company undertook a Bonus Issue of 1,550,000,138 new ordinary shares to the shareholders. The Bonus Issue was implemented without capitalising the retained earnings or reserves and such new ordinary shares were issued at nil consideration.

The Bonus Issue was completed and Shares were credited as fully paid-up on a pro rata basis to the existing shareholders based on their respective shareholdings in the Company such that their effective shareholding in the Company will be the same before and after the Bonus Issue.

(b) On 27 January 2022, the Company incorporated a wholly-owned subsidiary, Farm Fresh Milk (HK) Limited in Hong Kong.

(c) On 8 February 2022, the Group has entered into an agreement to acquire a farm property at McEwan Road in Kyabram, Victoria, Australia with a size of approximately 300 acres for a purchase consideration of AUD3.5 million. The completion of the acquisition of the farm property is subject to the approval from Australia's Foreign Investment Review Board.

31. Investments in subsidiaries

Details of the subsidiaries are as follows:

Name	Principal place of business/Country of incorporation	Principal activities	Effective ownership interest 30.9.2021 %	31.3.2021 %	31.3.2020 %	31.3.2019 %
Farm Fresh Milk Sdn. Bhd.	Malaysia	Rearing of dairy cows and goats and the production, marketing and sale of cow's and goat's milk	100	100	100	100
GEM Organics (M) Sdn. Bhd.	Malaysia	Property holding	100	100	100	100
AFS Dairy Company Australia Pty Ltd	Australia	Holding of the semen and embryos of Australian Friesian Sahiwal dairy cattle	100	100	100	100
Holstein Dairy (Desaru) Sdn. Bhd.	Malaysia	Rearing of dairy cows and sale of cow's milk	100	100	100	100
Holstein Selama Dairy Sdn. Bhd.	Malaysia	Rearing of dairy cows and sale of cow's milk	100	100	--	--
Serdang Dairy Sdn. Bhd.	Malaysia	Rearing of dairy cows and sale of cow's milk	100	100	--	--
The Holstein Milk Company (M) Sdn. Bhd.	Malaysia	Dormant	100	--	--	--
Farm Fresh Milk (HK) Limited*	Hong Kong	Dormant	--	--	--	--
The Holstein Milk Company (Australia) Pty Ltd#	Australia	Investment holding	80	80	80	80
Subsidiaries of The Holstein Milk Company (Australia) Pty Ltd						
Goulburn Valley Creamery Pty Ltd#	Australia	Rearing of dairy cows and the production, marketing and sale of cow's milk	80	80	80	80
Henry Jones Foods Pty Ltd#	Australia	Manufacturing of jam and sauces	80	80	80	--

Not audited by KPMG PLT
* Incorporated on 27 January 2022

14. ADDITIONAL INFORMATION

14.1 SHARE CAPITAL

(i) Save as disclosed in this Prospectus, no securities will be allotted or issued on the basis of this Prospectus later than six months after the date of issue of this Prospectus.

(ii) As at the LPD, we have only one class of shares in our Company, namely ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.

(iii) Save as disclosed in Sections 4.2.1, 4.2.6 and 6.1.2 of this Prospectus, our Company has not issued or proposed to issue any shares, stocks or debentures as fully or partly paid-up in cash or otherwise, within the past three FYE 31 March 2019, 2020 and 2021, FPE 30 September 2021 and the subsequent period from 1 October 2021 up to the LPD.

(iv) As at the date of this Prospectus, save for the Issue Shares reserved for subscription by our Eligible Persons as disclosed in Section 4.2.3 of this Prospectus and the ESOS as disclosed in Section 4.2.6 of this Prospectus, there is currently no other scheme involving our employees and Directors in the share capital of our Company or any of our subsidiaries.

(v) Save for the ESOS and BDSB's subscription for 33% ordinary shares in Holstein Dairy (Desaru) as disclosed under Sections 4.2.6, 6.3.3 and 14.6.1 of this Prospectus, we have not agreed, conditionally or unconditionally, to put the share capital of our Company or any of our subsidiaries under option.

(vi) As at the date of this Prospectus, neither we nor our subsidiaries have any outstanding warrants, options, convertible securities or uncalled capital.

(vii) Save as disclosed in Sections 2.2 and 12.4 of this Prospectus and save as provided for under our Constitution as reproduced in Section 14.2 below and the Act, there are no other restrictions upon the holding or voting or transfer of our Shares or the interests in any of our Company or our subsidiaries or upon the declaration or payment of any dividend or distribution thereon.

14.2 EXTRACTS OF OUR CONSTITUTION

The following provisions are reproduced from our Constitution. The description below is only a summary and is qualified in its entirety by the provisions of our Constitution and by applicable law. The words, terms and expressions appearing in the following provisions will bear the same meanings used in our Constitution unless they are otherwise defined herein or the context otherwise requires.

Words	Meaning
"Act"	The Companies Act 2016, as amended, substituted or re-enacted from time to time.
"Board" or "Board of Directors"	The board of directors for the time being of the Company.
"Board Meeting"	A meeting of the Directors of the Company.
"Bursa Securities"	Bursa Malaysia Securities Berhad.
"Central Depositories Act"	the Securities Industry (Central Depositories) Act 1991 and any statutory modification, amendment or re-enactment thereof and every other legislation made thereunder for the time being in force.

Words	Meaning
"Company"	Farm Fresh Berhad.
"Constitution"	The constitution of the Company as constituted by this document, or as altered from time to time by a special resolution of the Company.
"Deposited Security"	A security standing to the credit of a Securities Account and includes a security in a Securities Account that is in suspense.
"Depository"	Bursa Malaysia Depository Sdn Bhd or such other name by which it shall be known from time to time.
"Directors"	The directors for the time being of the Company (inclusive of alternate or nominee directors).
"General Meeting"	A meeting of the Members.
"Listing Requirements"	Main Market Listing Requirements of Bursa Securities, including any amendment that may be made from time to time.
"Member"	(a) a person whose name is entered in the Register of Members as the holder for the time being of one or more shares in the Company; and/or (b) a depositor who will be treated as if he was a member pursuant to Section 35 of the Central Depositories Act but excludes the Depository in its capacity as a bare trustee. Shares include ordinary shares, preference shares or other type of shares that may be issued and allotted by the Company from time to time.
"Record of Depositors"	A record provided by the Depository to the Company under Chapter 24.0 of the Rules.
"Rules"	The Rules of Depository as defined under Section 2 of the Central Depositories Act and any appendices thereto, including any amendment that may be made from time to time.
"Security" or "Securities"	has the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 or any modification, amendment or re-enactment thereof for the time being in force.
"Securities Account"	An account established by the Depository for a Depositor for the recording of deposit of Securities of the Company and for dealing in such Securities by the Depositor.
"Shareholder"	A holder of one or more share(s) in the Company.
"Share Issuance Scheme"	A scheme involving the allotment and issuance or transfer of shares and/or grant of options, whether physically settled or otherwise, to subscribe for or purchase shares of the Company to eligible Directors, officers and/or employees.

14.2.1 Transfer of Shares

Clause 14 - Transfer of Securities

"The transfer of any Deposited Security or class of Deposited Security of the Company, shall be by way of book entry by the Depository in accordance with the Rules and notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the Deposited Securities."

Clause 20 - Closing the Register of Members or Register of Debenture Holders

"On giving at least fourteen (14) days' notice to the Registrar to close the Register of Members or register of debenture holders, the Company may close the Register of Members or register for any class of members or register of debenture holders (collectively, the "Registers") for the purpose of updating the Registers. The registration of transfer may be suspended at such time and for such period as the Directors may from time to time determine, provided that no part of the relevant Register(s) be closed for more than thirty (30) days in aggregate in any calendar year."

14.2.2 Remuneration of Directors

Clause 84 – Remuneration of Managing and Executive Directors

"A Managing Director or an Executive Director shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration (whether by way of salary, bonus, commission or participation in profits, or partly in one way and partly in another and other benefits) as the Board of Directors may determine."

Clauses 89(1) and (2) – Remuneration of Alternate Directors

"An Alternate Director:

(1) has no entitlement to receive remuneration from the Company and any fee paid by the Company to the Alternate Director shall be deducted from the appointer's remuneration; and

(2) is entitled to be reimbursed for all the travelling and other expenses properly incurred by him in attending the Board Meetings on behalf of the appointer from the Company."

Clauses 93(1), (2), (3) and (5) – Remuneration of Directors

"(1) The Company may from time to time by an ordinary resolution passed at a General Meeting, approve the remuneration of the Directors who hold non-executive office with the Company, for their service as non-executive Directors.

(2) Subject to Clause 84, the fees of the Directors and any benefits payable to the Directors shall be subject to annual shareholders' approval at a General Meeting.

(3) If the fee of each such non-executive Director is not specifically fixed by the Members, then the quantum of fees to be paid to each non-executive Director within the overall limits fixed by the Members, shall be decided by resolution of the Board. In default of any decision being made in this respect by the Board, the fees payable to the non-executive Directors shall be divided equally amongst themselves and such a Director holding office for only part of a year shall be entitled to a proportionate part of a full year's fees. The non-executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.

(5) Executive Directors of the Company shall be remunerated in the manner referred to in Clause 84 but such remuneration shall not include a commission on or percentage of turnover."

Clause 93(4) – Expenses

"(4) The following expenses shall be determined by the Directors:

(a) Travelling, hotel and other expenses properly incurred by the Directors in attending and returning from meetings of the Directors or any committee of the Directors or General Meetings of the Company or in connection with the business of the Company; and

(b) Other expenses properly incurred by the Directors arising from the requirements imposed by the authorities to enable the Directors to effectively discharge their duties."

14.2.3 Voting and Borrowing power of Directors

Clause 95 – Borrowing, mortgage, issue debentures and lending or advance of money

"Without limiting the generality of Directors exercising all the powers necessary for managing, directing and supervising the management of the business or affairs of the Company, the Directors may, subject to the Act and the Listing Requirements, exercise all the powers of the Company to do all or any of the following for any debt, liability, or obligation of the Company or of any third party:

(1) borrow money, raise funds and/or accept credit facilities;

(2) mortgage or charge its undertaking, property, and uncalled capital, or any part of the undertaking, property and uncalled capital;

(3) issue debentures and other Securities whether outright or as security for any debt, liability or obligation of the Company, its subsidiaries or any other party; and/or

(4) (a) lend and advance money or give credit to any person or company;

(b) guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company;

(c) secure or undertake in any way the repayment of moneys lent or advanced to or the liabilities incurred by any person or company;

and otherwise to assist any person or company."

Clause 105 – Directors' Interest in Contracts

"(a) A Director shall not vote in regard to any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest (and if he shall do so his vote shall not be counted) nor shall his vote be counted for the purpose of any resolution regarding the same.

(b) Every Director shall observe the provisions of Sections 221 and 222 of the Act relating to the disclosure of the interest of the Directors in contracts or proposed contracts with the Company or of any office or property held by the Directors which might create duties or interest in conflict with their duties or interest as Directors and participation in discussion and voting. Such disclosure of material personal interest by the Directors shall be in the form of a notice. Such notice shall be in the form and manner prescribed under Section 221 of the Act."

Clause 118 – Voting at Board Meetings

"(1) Subject to this Constitution, questions arising at a Board Meeting shall be decided by a majority of votes of Directors present and voting and any such decision shall for all purposes be deemed a decision of the Directors.

(2) Each Director is entitled to cast one (1) vote on each matter for determination."

Clause 119 – Casting Vote

"In the case of an equality of votes, the chairperson of the Board Meeting is entitled to a second or casting vote, except where two (2) Directors form a quorum, the chairperson of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question at issue shall not have a casting vote."

14.2.4 Changes in capital and rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rights

Clauses 8(1) and (3)– Variation of Rights

"(1) If at any time the share capital is divided into different classes of shares, the rights attached to each class of shares (unless otherwise provided by the terms of issue of the shares of that class) may only, whether or not the Company is being wound up, be varied:

(a) with the consent in writing of the holders holding not less than seventy-five percent (75.0%) of the total voting rights of the holders of that class of shares; or

(b) by a special resolution passed by a separate meeting of the holders of that class of shares sanctioning the variation.

(3) The rights attached to an existing class of preference shares shall be deemed to be varied by the issue of new preference shares that rank equally with the existing class of preference shares unless such issuance was authorised by:

(a) the terms of the issue of the existing preference shares; or

(b) this Constitution as in force at the time when the existing preference shares were issued."

Clauses 12(1) and (2) – Issue of Securities

"(1) Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject always to the Act, the Listing Requirements and this Constitution, the Directors have the right to:

(a) issue and allot shares in the Company; and

(b) grant rights to subscribe for shares or options over unissued shares in the Company.

(2) Subject to the Act, the Listing Requirements, this Constitution and the relevant Shareholders' approval being obtained, the Directors may issue any shares (including rights or options over subscription of such shares):

(a) with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Directors may determine;

(b) to any person, whether a Member or not, in such numbers or proportions as the Directors may determine; and

(c) for such consideration as the Directors may determine."

Clause 12(3) – Restriction on Issue

"Sub-Clauses 12(1) and (2) above shall be subject to the following provisions:

(1) the Company shall not offer, issue, allot, grant options over shares, grant any right or right to subscribe for shares or any rights or rights to convert any Securities into shares or otherwise deal with or dispose of shares which will or may have the effect of transferring a controlling interest in the Company without the prior approval of the Members in General Meeting;

(2) no Director shall participate in a Share Issuance Scheme unless the Members in General Meeting have approved the specific allotment to such Director; and

(3) the rights attached to shares of a class other than ordinary shares shall be expressed in the resolution creating them."

Clauses 46(1), (2) and (3) – Alteration of Capital

"(1) The Company may from time to time by ordinary resolution and subject to other applicable laws or requirements:

(a) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived; or

(b) subdivide its shares or any of them into shares, whichever is in the subdivision; the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived.

(2) The Company may from time to time by special resolution and subject to other applicable requirements:

(a) cancel shares, which at the date of the passing of the resolution in that regard, have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled or in such other manner allowed by law; or

(b) reduce its share capital in such manner permitted by law, and (where applicable) subject to the relevant required approvals being obtained.

(3) The Company shall have the power, subject to and in accordance with the provisions of the Act, the Listing Requirements and any rules, regulations and guidelines in respect thereof for the time being in force, to purchase its own shares and thereafter to deal with the shares purchased in accordance with the provisions of the Act, the Listing Requirements and any rules, regulations and guidelines thereunder or issued by Bursa Securities and any other relevant authorities in respect thereof."

14.3 DEPOSITED SECURITIES AND RIGHTS OF DEPOSITORS

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his Shares with Bursa Depository on or before the date fixed, failing which our Share Registrar will be required to transfer his Shares to the Minister of Finance Incorporated and such Shares may not be traded on Bursa Securities.

Dealing in Shares deposited with Bursa Depository may only be effected by a person having a securities account with Bursa Depository ("**Depositor**") by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares will be deemed to be a shareholder of our Company and will be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

14.4 LIMITATION ON THE RIGHT TO HOLD SECURITIES AND/OR EXERCISE VOTING RIGHTS

Subject to Section 14.3 above, there is no limitation on the right to own our Shares, including any limitation on the right of a non-resident or non-Malaysian shareholder to hold or exercise voting rights, on our Shares which is imposed by Malaysian law or by our Constitution.

14.5 REPATRIATION OF CAPITAL, REMITTANCE OF PROFIT AND TAXATION

(i) Malaysia

All corporations in Malaysia are required to adopt a single-tier dividend. All dividends distributed by Malaysian resident companies under a single tier dividend are not taxable. Further, the Government of Malaysia does not levy withholding tax on dividends payment. Therefore, there is no withholding tax imposed on dividends paid to non-residents by Malaysian companies. There is no Malaysian capital gains tax arising from the disposal of listed shares.

(ii) Australia

Repatriation of Capital from Australia

A company may pay dividends to members, subject to requirements of the *Corporations Act 2001* (Cth) ("**Corporations Act**"), the company's constitution and the shareholders deed (if any), and general law.

Under the Corporations Act, a company must not pay a dividend unless:

(a) it has positive net assets before and after the payment;

(b) the dividend is fair and reasonable to the company's members as a whole; and

(c) the dividend does not materially prejudice the company's ability to pay its creditors.

Where dividends are distributed by our wholly-owned subsidiaries, i.e. either THMC (Australia) or AFS Dairy Company, those dividends should constitute Australian-sourced assessable income of our Company. If dividend is franked (effectively paid from taxed profits), it should not be subject to Australian withholding tax.

Returns of capital

A return of capital paid by either THMC (Australia) or AFS Dairy Company to our Company should not be subject to Australian withholding tax, except where the capital return is characterised as a dividend for Australian income tax purposes.

A return of capital can be characterised as a dividend for Australian income tax purposes if, amongst other things:

- either THMC (Australia)'s or AFS Dairy Company's share capital account is a 'tainted' share capital account; or

- where it is concluded by the Australian Commissioner of Taxation ("**Commissioner**") that certain capital benefits are provided to shareholders in substitution for dividends.

Since THMC (Australia), Goulburn Valley Creamery and Henry Jones Foods are members of an Australian income tax consolidated group, transactions between those entities are disregarded for Australian income tax purposes. Accordingly, there will not be any Australian income tax implications for a return of capital paid to THMC (Australia) from either Goulburn Valley Creamery or Henry Jones Foods.

Foreign investment into Australia

Certain foreign investments in Australian businesses and land require the approval of the Treasurer of the Australian Commonwealth Government (**"Treasurer"**). The body responsible for administering the application and review process is the Foreign Investment Review Board (**"FIRB"**). Once an application is lodged with the FIRB, the FIRB engages in a consultation process with the relevant Australian government departments in respect of the application and makes a recommendation to the Treasurer who ultimately determines the outcome of the decision. A number of different monetary thresholds exist that determine whether FIRB approval is required, depending upon the residency of the foreign investor, the type of investment being made into Australia (i.e. business or land proposals) and the type of industry of such investment (i.e. general business, media or agricultural).

Generally, proposals to acquire an interest of 20% or more in Australian securities, assets or trusts (being a "substantial interest") will require prior FIRB approval where the value of the securities, assets or trusts exceeds the applicable monetary threshold. Different monetary thresholds apply for some industries, such as agribusiness. Further, there is no monetary threshold applicable with respect investments by foreign government investors, some land proposals and notifiable national security actions. This last category can include acquisitions of interests in businesses which own or operate critical infrastructure, telecommunications businesses or which provide critical military-use goods, technology or services to Australia's defence or intelligence communities. FIRB also has a residual "call-in" power to review certain reviewable national security actions taken based on national security concerns.

Where FIRB notification for a certain transaction is compulsory under the *Foreign Acquisition and Takeovers Act 1975 (Cth)*, that a transaction cannot be completed until FIRB approval is obtained. The Treasurer can prohibit foreign investment proposals found to be contrary to the national interest or can impose conditions on an investment to address national interest concerns.

14.6 MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any material contracts that are not in the ordinary course of our Group's business within the period covered by the historical financial information as disclosed in this Prospectus and up to the date of this Prospectus:

14.6.1 Joint Venture Agreement dated 23 February 2015 entered into between Farm Fresh and Bio Desaru Sdn Bhd ("BDSB") (as supplemented by the supplementary agreement dated 17 May 2018) ("JVA")

Background

(a) BDSB has agreed to lease the following pieces of land for a period of 30 years to Holstein Dairy (Desaru) to operate our Desaru Farm:

(i) a portion of the land held under HSD 32179, PTD 1721, Mukim Sedili Kechil, Kota Tinggi, Johor ("**PTD 1721**") measuring 300 acres ("**Demised Premises 1**"); and

(ii) a portion of the land held under HSD 32179, PTD 1721 and under HSD 32180, PTD 1722, Mukim Sedili Kechil, Kota Tinggi, Johor ("**PTD 1722**") measuring 25 acres ("**Demised Premises 2**")

(collectively, the "**Demised Premises**").

(b) Holstein Dairy (Desaru) is using Demised Premises 1 for dairy farming, breeding and herd improvement and under the JVA, Demised Premises 2 is to be used for processing of cheese products. As at the LPD, Demised Premises 2 remains vacant and Holstein Dairy (Desaru) has yet to commence any operations on it.

(c) In respect of Demised Premises 1, BDSB had on 8 April 2018 and 4 April 2021 received approval from the Johor Estate Land Board and consent from the State Authority respectively, to register a lease of 30 years in favour of Holstein Dairy (Desaru) ("**Lease**"). As at the LPD, BDSB is in the midst of executing the Lease of Land (Form 15A of the National Land Code). In respect of Demised Premises 2, BDSB is in the process of preparing the documents required for the application for Johor Estate Land Board's approval for the registration of a lease of 30 years in favour of Holstein Dairy (Desaru).

(d) Pursuant to the terms of the JVA, BDSB will subscribe for 33% ordinary shares in Holstein Dairy (Desaru) to be satisfied by part of the rental under the registered Lease for our Desaru Farm.

As at the LPD, pending the registration of Lease in favour of Holstein Dairy (Desaru), BDSB is not a shareholder of Holstein Dairy (Desaru).

Term and Termination

The JVA is evergreen until terminated in accordance with the provisions of the JVA.

Under the JVA, if any of Holstein Dairy (Desaru)'s shareholders ("**Shareholder**"):

(a) commits any material breach of its obligation under the JVA and if remediable fails to take all necessary action to remedy such breach within 30 days upon the service of notice by the other Shareholder complaining of such breach;

(b) goes into voluntary liquidation otherwise than for the purpose of reconstruction or amalgamation or an order of the court is made for its compulsory liquidation or shall have a receiver or similar officer appointed in respect of any material part of its assets;

(c) compounds or makes any composition or arrangement with its creditors; or

(d) becomes insolvent,

then such defaulting Shareholder may be served a written notice by the other Shareholder. Any Shareholder which suffers any event of the type enumerated above shall immediately notify the other Shareholder of the occurrence of such event.

Contribution / Shareholding

(a) It has been agreed that our Company will hold 67% equity interest and BDSB will hold 33% equity interest in Holstein Dairy (Desaru) throughout the duration of the JVA, unless otherwise agreed by BDSB.

(b) Both parties have agreed that the valuation of Demised Premises 1 at RM10,000 per acre shall be contribution for 1,000,000 ordinary shares in Holstein Dairy (Desaru) (representing BDSB's 33% equity interest in Holstein Dairy (Desaru)), whilst the remaining RM2,000,000 is to be paid back by Holstein Dairy (Desaru) to BDSB over eight instalments at a rate of RM250,000 per annum, commencing from Holstein Dairy (Desaru)'s second financial year.

Please refer to Annexure B of this Prospectus for further details on the Demised Premises.

14.6.2 Sale and Purchase Agreement dated 19 July 2018 entered into between FFMSB and Behn Meyer Paper & Board (M) Sdn Bhd in respect of the acquisition of a piece of land held under HS(D) 9280 TLO 2933 Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor

On 19 July 2018, FFMSB entered into a sale and purchase agreement with Behn Meyer Paper & Board (M) Sdn Bhd (formerly known as Behn Meyer International Trading Sdn Bhd) to acquire a piece of land held under HS(D) 9280 TLO 2933 Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor measuring about 0.5666 hectares together with a 1.5 storey building erected thereon ("**Property**") for a total cash consideration of about RM2 million. The Property was transferred to FFMSB on 19 November 2018.

14.6.3 Business Purchase Agreement dated 22 October 2019 entered into amongst Shepparton Partners Collective KP Pty Ltd, Shepparton Partners Collective Operations Pty Ltd and Shepparton Partners Collective IP Pty Ltd (collectively, the "Shepparton Partners Collective"), Kyabram Jam Company Pty Ltd and THMC (Australia)

On 22 October 2019, THMC (Australia) entered into a business purchase agreement with the Shepparton Partners Collective for the acquisition of the business and the business assets of the Shepparton Partners Collective, including the IXL and Taylor's brands and the Kyabram Facility for a total cash consideration of about AUD8 million. The acquisition was completed on 18 December 2019.

14.6.4 Contract for Sale of Real Estate dated 19 December 2018 entered into amongst THMC (Australia), Albertus Willem Van Ruiswyk, Jan Arie Van Ruiswyk and Van Ruiswyk Bros Pty Ltd for the acquisition of the properties at 490 Neal Road, Undera 3629, 515 Norton Road, Undera 3629, and 695 Norton Road, Undera 3629 ("Properties")

On 19 December 2018, THMC (Australia) entered into a contract for sale of real estate with Albertus Willem Van Ruiswyk, Jan Arie Van Ruiswyk and Van Ruiswyk Bros Pty Ltd for the acquisition of the Properties measuring about 295.1 hectares for a total cash consideration of about AUD2.2 million. The property was transferred to THMC (Australia) on 1 February 2021.

14.6.5 Contract for Sale of Real Estate dated 7 March 2019 entered into between THMC (Australia) and Alexander Anthony Arena for the acquisition of the property at 705 Echuca Road, Ardmona VIC 3629

On 7 March 2019, THMC (Australia) entered into a contract for sale of real estate with Alexander Anthony Arena for the acquisition of the property at 705 Echuca Road, Ardmona VIC 3629 measuring about 140.7 hectares for a total cash consideration of about AUD1.7 million. The property was transferred to THMC (Australia) on 16 April 2019.

14.6.6 Contract for Sale of Real Estate dated 8 February 2022 entered into between THMC (Australia) and Peter Ross Hemphill, Gayle Patricia Hemphill and Kate Louisa Hemphill for the acquisition of the properties at 947 McEwan Road, Kyabram VIC 3620 and 999 McEwan Road, Kyabram VIC 3720

On 8 February 2022, THMC (Australia) entered into a contract for sale of real estate with Peter Ross Hemphill, Gayle Patricia Hemphill and Kate Louisa Hemphill for the acquisition of the properties at 947 McEwan Road, Kyabram VIC 3620 and 999 McEwan Road, Kyabram VIC 3720 measuring about 300 acres, including 1000 ton of silage and plant and equipment for a total cash consideration of about AUD3.5 million. The completion of the acquisition of the properties is conditional on THMC (Australia) obtaining the approval of the FIRB, which, as at the LPD, is pending.

14.6.7 Master Cornerstone Placement Agreement dated 23 February 2022

Master Cornerstone Placement Agreement dated 23 February 2022 entered into between our Company, the Selling Shareholders, the Joint Global Coordinators, and the Cornerstone Investors, under which the Cornerstone Investors agree to acquire and/or subscribe for an aggregate of 547,188,694 IPO Shares, representing about 29.5% of the enlarged issued share capital of our Company, pursuant to the Institutional Offering at RM1.35 per IPO Share or the Institutional Price, whichever is lower, on the terms and subject to the conditions as set out in the Master Cornerstone Placement Agreement and the relevant individual cornerstone placement agreements.

14.6.8 Retail Underwriting Agreement dated 15 February 2022

Retail Underwriting Agreement dated 15 February 2022 entered into between our Company, the Joint Managing Underwriters and the Joint Underwriters to severally and not jointly (nor jointly and severally) underwrite 55,738,700 Issue Shares under the Retail Offering at an underwriting commission of up to 2.0% (exclusive of applicable tax) of the Retail Price, multiplied by the number of Issue Shares underwritten.

14.6.9 Lock up letters dated 14 February 2022 in relation to our IPO and our Listing

Lock-up letters dated 14 February 2022 issued by our Company to the Joint Global Coordinators in relation to the lock-up arrangement for our IPO and our Listing, details of which are set out in Section 4.8.3 of this Prospectus.

14.7 MATERIAL LITIGATION

Save as disclosed below, we are not engaged in any governmental, legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings which may have or have had, material or significant effects on our financial position or profitability.

As at the LPD, THMC (Australia) and Henry Jones Foods (collectively, "**Holstein Australian Entities**") are involved in a litigation claim against several Shepparton Collective Partners entities for certain misrepresentations in financial information provided by the Shepparton Collective Partners entities. The Shepparton Collective Partners entities are:

(i) Shepparton Partners Collective KP Pty Ltd;

(ii) Shepparton Partners Collective Operations Pty Ltd; and

(iii) Shepparton Partners Collective IP Pty Ltd,

(collectively, the "**SPC Entities**").

The misrepresentations are alleged to have been made during the financial due diligence process undertaken by our Holstein Australian Entities in connection with the sale of the processed foods manufacturing business ("**Business**") and related business assets by the SPC Entities to Henry Jones Foods under the business purchase agreement (relating to the Kyabram business) ("**Agreement**").

A statement of claim ("**Claim**") was filed by our Holstein Australian Entities with the Supreme Court of Victoria ("**Court**") on 31 March 2021.

The misrepresentations which form the basis of the Claim relate to alleged misrepresentations by the SPC Entities with respect to the historical cost of raw materials, the historical total costs of goods produced and the historical earnings of the Business. Our Holstein Australian Entities have claimed that the alleged misrepresentations amount to a breach of the sellers' warranties under the Agreement and as a result, our Holstein Australian Entities have suffered loss and damage. The quantum of the Claim has yet to be determined by an expert, however, we estimate the Claim to be between AUD4 million to AUD5 million.

Our Holstein Australian Entities are seeking the following remedies from the Court in respect of the Claim:

(a) that the SPC Entities indemnify our Holstein Australian Entities (in accordance with the Agreement) in respect of loss and damage suffered as a result of the breach of the sellers' warranties under the Agreement; and/or

(b) damages pursuant to the Australian Consumer Law or under Australian common law.

A first directions hearing for this matter was held on 7 May 2021, which dealt with administrative matters relating to the proceedings. During the hearing, the Court ordered the following next steps to be taken to resolve the dispute (which has now been superseded by the orders of 16 June 2021 and 13 August 2021 as set out below):

(aa) our Holstein Australian Entities and the SPC Entities to file any pleadings and particulars between 28 May 2021 to 16 July 2021;

(bb) our Holstein Australian Entities and the SPC Entities make discovery (including full inspection) in accordance with the Supreme Court (General Civil Procedure) Rules 2015 and file and serve a list of documents by 30 July 2021;

(cc) the proceedings to be listed for further directions at 10:00am on 6 August 2021 (which has now been delayed to 13 August 2021);

(dd) our Holstein Australian Entities and the SPC Entities to file and serve any expert reports upon which they intend to rely;

(ee) the proceedings be referred to a mediator with such meditation to take place by 23 September 2021; and

(ff) the mediator must not later than 29 September 2021 report back to the court whether the mediation is finalised.

The SPC Entities filed a summons dated 28 May 2021, seeking an order that our Holstein Australian Entities' statement of claim be struck out in its entirety or in the alternative that certain paragraphs be struck out ("**Summons**"). Our Holstein Australian Entities in turn filed submissions that the Summons be rejected by the Court.

The Court made a further order on 16 June 2021. The Court ordered that:

(a) by 4:00pm on 15 June 2021, our Holstein Australian Entities file and serve any affidavit material in opposition to the SPC Entities' Summons;

(b) by 4:00pm on 23 July 2021, the SPC Entities file and serve any submissions in relation to the Summons;

(c) by 4:00pm on 30 July 2021, our Holstein Australian Entities file and serve any submissions in relation to the Summons; and

(d) the Summons is fixed for hearing at 10:30am on 13 August 2021.

The timeline for the litigation as set out in the orders of 7 May 2021 was superseded by the above orders of 16 June 2021, meaning that the directions hearing that was originally scheduled for 6 August 2021 was instead held on 13 August 2021 (the same hearing regarding the Summons).

The Court made orders following the hearing on 13 August 2021 that:

(aa) the Summons be rejected and the SPC Entities pay our Holstein Australian Entities' costs in relation to the Summons on a standard basis;

(bb) the timeline originally set out in the orders of 7 May 2021 be vacated and replaced with the following:

   (i) the SPC Entities file its defence to the Claim ("**Defence**") and any counterclaim by 20 August 2021;

(ii) our Australian Holstein Entities file and serve any reply and defence to any counterclaim by 10 September 2021;

(iii) any defendant to a counterclaim file and serve any reply to such counterclaim by 24 September 2021;

(iv) the SPC Entities file and serve any third party notices by 3 September 2021;

(v) the parties make full discovery on 30 September 2021; and

(vi) the proceedings be listed for a further directions hearing on 29 October 2021.

The SPC Entities filed its Defence on 20 August 2021, pursuant to which they (amongst others):

(a) deny making the misrepresentations;

(b) deny breaches of warranty under the Agreement; and

(c) claim that our Holstein Australian Entities are barred from making certain claims pursuant to the Claim by virtue of purportedly failing to comply with the dispute notice requirements and limitation periods under the Agreement.

The Court made further orders (by consent) on 27 October 2021 that:

(aa) the time and date by which the parties are to make discovery (including full inspection) and file and serve a list of documents is extended from 4:00pm on 30 September 2021 to 4:00pm on 12 November 2021;

(bb) the Holstein Australian Entities file and serve any expert reports upon which they intend to rely on by 4:00pm on 11 March 2022; and

(cc) the directions hearing listed on 29 October 2021 is adjourned to 10:00am on 25 March 2022.

The Court made further orders at the request of the Holstein Australian Entities on 20 December 2021 that the proceeding be listed for a further directions hearing on 28 January 2022.

The Court then vacated the directions hearing listed on 28 January 2022 by orders made on 25 January 2022.

As at the LPD, our Holstein Australian Entities are currently in the process of the discovery phase of the litigation, with expert reports expected to be filed in March 2022.

Our solicitors are of the opinion that our Holstein Australian Entities have a good prospect to succeed in the Claim and do not expect any counterclaims by the SPC Entities.

14.8 CONSENTS

The written consents of the Sole Principal Adviser, Joint Global Coordinators, Joint Bookrunners, Joint Managing Underwriters, Joint Underwriters, Legal Advisers, Share Registrar and Issuing House as listed in the Corporate Directory of this Prospectus for the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of the Auditors and Reporting Accountants for the inclusion of its name, the Accountants' Report and Reporting Accountants' Letter on the Pro Forma Consolidated Statements of Financial Position, and all references thereto in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of Frost & Sullivan for the inclusion of its name and all references thereto, and the IMR Report in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

14.9 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at our registered office during office hours for a period of six months from the date of this Prospectus:

(i) our Constitution;

(ii) our material contracts as referred to in Section 14.6 of this Prospectus;

(iii) the relevant cause papers in respect of the material litigation as referred to in Section 14.7 of this Prospectus;

(iv) our audited consolidated financial statements for FYE 31 March 2019, FYE 31 March 2020, FYE 31 March 2021 and FPE 30 September 2021;

(v) audited financial statements of each of our subsidiaries for FYE 31 March 2019, FYE 31 March 2020, and FYE 31 March 2021;

(vi) Reporting Accountants' Report on the Pro Forma Consolidated Statements of Financial Position, as included in Section 12.5 of this Prospectus;

(vii) Accountants' Report as included in Section 13 of this Prospectus;

(viii) IMR Report as included in Section 8 of this Prospectus;

(ix) letters of consent referred to in Section 14.8 of this Prospectus; and

(x) By-Laws as included in Annexure D of this Prospectus.

14.10 RESPONSIBILITY STATEMENTS

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

CIMB, being the Sole Principal Adviser, Joint Global Coordinator and Joint Bookrunner for the Institutional Offering and Joint Managing Underwriter and Joint Underwriter for the Retail Offering in relation to our IPO, acknowledge that, based on all available information, and to the best of their knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

15. PROCEDURES FOR APPLICATION

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE "DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE" ACCOMPANYING THE ELECTRONIC COPY OF OUR PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used in this Section shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

15.1 OPENING AND CLOSING OF APPLICATIONS

OPENING OF THE APPLICATION PERIOD: 10:00 A.M., 28 FEBRUARY 2022.

CLOSING OF THE APPLICATION PERIOD: 5:00 P.M., 8 MARCH 2022.

In the event there is any change to the dates stated above, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia.

Late Applications will not be accepted.

15.2 METHODS OF APPLICATIONS

15.2.1 Application of our Issue Shares under the Retail Offering

Application must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

Type of Application and category of investors	Application method
Applications by our Directors, eligible employees of our Group (including directors of our subsidiaries) and persons who have contributed to the success of our Group	Pink Application Form
Applications by the Malaysian Public	
(i) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(ii) Non-individuals	White Application Form only

15.2.2 Application of our IPO Shares under the Institutional Offering

Malaysian institutional and selected investors and foreign institutional and selected investors being allocated our IPO Shares under the Institutional Offering (other than Bumiputera investors approved by the MITI) will be contacted directly by the respective Joint Global Coordinators and Joint Bookrunners and will follow the instructions as communicated by the respective Joint Global Coordinators and Joint Bookrunners.

Bumiputera investors approved by the MITI who have been allocated our IPO Shares will be contacted directly by the MITI and should follow the instructions as communicated through the MITI.

15.3 ELIGIBILITY

15.3.1 General

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs set out in the list of ADAs accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS account must be in your own name**. Invalid, nominee or third party CDS accounts will not be accepted for the Applications**.

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

15.3.2 Application by the Malaysian Public

You can only apply for our Issue Shares if you fulfil all of the following:

(i) you must be one of the following:

(a) a Malaysian citizen who is at least 18 years old as at the date of the application for our Issue Shares; or

(b) a corporation/institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or

(c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia;

(ii) you must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and

(iii) you must submit the Applications by using only one of the following methods:

(a) White Application Form;

(b) Electronic Share Application; or

(c) Internet Share Application.

15.3.3 Application by the Eligible Persons

The Eligible Persons (including any entities, wherever established) will be provided with Pink Application Forms and letters from us detailing their respective allocation as well as detailed procedures on how to subscribe to the allocated IPO Shares. Applicants must follow the notes and instructions in the said document and where relevant, in this Prospectus.

15.4 PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORM

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM 1.35 for each IPO Share.

Payment must be made out in favour of **"TIIH SHARE ISSUE ACCOUNT NO. 716"** and crossed **"A/C PAYEE ONLY"** and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

(i) despatched by **ORDINARY POST** in the respective official envelopes provided for each category, to the following address:

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

(ii) **DELIVERED BY HAND AND DEPOSITED** in the drop-in boxes provided at Tricor Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur,

so as to arrive not later than 5.00 p.m. on 8 March 2022 or such other time and date as our Directors and the Joint Underwriters may, in their absolute discretion, mutually decide as the date or time for closing.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the Application Form to the Issuing House.

Please refer to the detailed procedures and terms and conditions of the Application Forms set out in the "**Detailed Procedures for Application and Acceptance**" accompanying the electronic copy of this Prospectus on the website of Bursa Securities or contact the Issuing House for further enquiries.

15.5 APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS

Only Malaysian individuals may apply for our Issue Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

Please refer to the detailed procedures and terms and conditions of Electronic Share Application set out in the "**Detailed Procedures for Application and Acceptance**" accompanying the electronic copy of this Prospectus on the website of Bursa Securities or contact the relevant Participating Financial Institution for further enquiries.

15.6 APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

Only Malaysian individuals may use the Internet Share Application to apply for our Issue Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CIMB Bank Berhad, CGS-CIMB Securities Sdn Bhd, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions.

Please refer to the detailed procedures and terms and conditions of Internet Share Application set out in the "**Detailed Procedures for Application and Acceptance**" accompanying the electronic copy of this Prospectus on the website of Bursa Securities or contact the relevant Participating Financial Institution for further enquiries.

15.7 AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE

The Issuing House, on the authority of our Board, reserves the right to:

(i) reject the Applications which:

    (a) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or

    (b) are illegible, incomplete or inaccurate; or

    (c) are accompanied by an improperly drawn up, or improper form of, remittance; or

(ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and

(iii) bank in all Application monies (including those from unsuccessful/partially successful applicants) which would subsequently be refunded, where applicable (without interest) in accordance with Section 15.9 below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor shall it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

15.8 OVER/UNDER-SUBCRIPTION

In the event of over-subscription for the Retail Offering, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of Shares and the balloting results in connection therewith will be furnished by the Issuing House to Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on the Issuing House's website at https://tiih.online within one business day after the balloting event.

Pursuant to the Listing Requirements, we are required to have a minimum of 25.0% of our Company's share capital to be held by at least 1,000 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all applications will be returned in full (without interest).

In the event of an under-subscription of our IPO Shares by the Malaysian Public and/or Eligible Persons, subject to the clawback and reallocation as set out in Section 4.2.4 of our Prospectus, any of the abovementioned IPO Shares not applied for will then be subscribed by the Joint Underwriters based on the terms of the Retail Underwriting Agreement.

15.9 UNSUCCESSFUL/PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful/partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner.

15.9.1 For applications by way of Application Forms

(i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository (for partially successful applications) within ten Market Days from the date of the final ballot at your own risk.

(ii) If your Application is rejected because you did not provide a CDS account number, your Application monies will be refunded via banker's draft sent by ordinary/registered post to your address as stated in the National Registration Identity Card or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.

(iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (i) and (ii) above (as the case may be).

(iv) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within ten Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or by issuance of banker's draft sent by registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

15.9.2 For applications by way of Electronic Share Applications and Internet Share Applications

(i) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Application within two Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institutions) within two Market Days after the receipt of confirmation from the Issuing House.

(ii) You may check your account on the fifth Market Day from the balloting date.

(iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institutions) not later than ten Market Days from the date of the final ballot. For Applications that are held in reserve and are subsequently unsuccessful or partially successful, the relevant Participating Financial Institution will be informed of the unsuccessful or partially successful Applications within two Market Days after the final balloting date. The Participating Financial Institution will credit the Application monies or any part thereof (without interest) within two Market Days after the receipt of confirmation from the Issuing House.

15.10 SUCCESSFUL APPLICANTS

If you are successful in your Application:

(i) Our IPO Shares allotted to you will be credited into your CDS account.

(ii) A notice of allotment will be despatched to you at the last address maintained with Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.

(iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our IPO Shares issued/offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.

(iv) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

15.11 ENQUIRIES

Enquiries in respect of the applications may be directed as follows:

Mode of application	Parties to direct the queries
Application Form	Issuing House Enquiry Services Telephone at +603-2783 9299
Electronic Share Application	Participating Financial Institutions
Internet Share Application	Internet Participating Financial Institution or Authorised Financial Institution

The results of the allocation of Issue Shares derived from successful balloting will be made available to the public using the Issuing House website at https://tiih.online, **one Market Day** after the balloting date.

You may also check the status of your Application at the above website, **five Market Days** after the balloting date or by calling your respective ADA during office hours at the telephone number as stated in the list of ADAs set out in the "**Detailed Procedures for Application and Acceptance**" accompanying the electronic copy of our Prospectus on the website of Bursa Securities.

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ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS

Details of our major licences, permits and approvals as at the LPD, together with the salient conditions and status of compliance, are as follows:

Malaysia

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Validity Period	Salient conditions	Status of compliance
1.	Farm Fresh	MITI	Licence to manufacture the following product at the following premise: Dairy & dairy-based products (including fresh milk, flavored milk, yogurt and yogurt drinks, flavored yogurt and yogurt drinks and processed cheese etc.). Kompleks Tenusu, Plot D, KM6 Jalan Rompin, 26700 Muadzam Shah, Pahang.	2 June 2017 onwards	(a) Sale of any shares of the licensee requires notification to be made to MITI and MIDA.	Noted
					(b) The licensee shall train Malaysians to facilitate technology transfer and channel expertise to all levels of positions.	Noted
					(c) The total number of full-time employees of the licensee shall be made up of at least 80% of Malaysians. The employment of foreigners including workers recruited through outsourcing is subject to the current policy.	Complied
2.	Farm Fresh	MITI	Licence to manufacture the following product at the following premise: Plant-based beverages Kompleks Tenusu, Plot D, KM6 Jalan Rompin, 26700 Muadzam Shah, Pahang.	10 July 2021 onwards	(a) Sale of any shares of the licensee requires notification to be made to MITI and MIDA.	Noted
					(b) The licensee shall train Malaysians to facilitate technology transfer and channel expertise to all levels of positions.	Noted
					(c) The total number of full-time employees of the licensee shall be made up of at least 80% of Malaysians. The employment of foreigners including workers recruited through outsourcing is subject to the current policy.	Complied

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Validity Period	Salient conditions	Status of compliance
3.	FFMSB	MITI	Licence to manufacture the following product at the following premise: Dairy & dairy-based products (including fresh milk, flavored milk, yogurt and yogurt drinks, flavored yogurt and yogurt drinks and processed cheese etc.). No. 11-1, Jalan Petaling, Jalan Perindustrian Larkin, 80350 Johor Bahru, Johor Darul Ta'zim.	2 June 2017 onwards	(a) Sale of any shares of the licensee requires notification to be made to MITI and MIDA.	Noted
					(b) The licensee shall train Malaysians to facilitate technology transfer and channel expertise to all levels of positions.	Noted
					(c) The total number of full-time employees of the licensee shall be made up of at least 80% Malaysians. The employment of foreigners including workers recruited through outsourcing is subject to the current policy.	Complied
4.	Farm Fresh	DVS	Letter of no objection issued to Farm Fresh to import the following products from Made Manufacturing Pty Ltd, 1263 Ferntree Gully Rd., Scoreby, Victoria 319 Australia: (a) fruit and vegetable juice; (b) flavoured milk; and (c) yoghurt.	27 March 2018 onwards.	None.	Not applicable
5.	Farm Fresh	DVS	Registration as livestock importer for year 2022. Farm Fresh is permitted to import (i) cows and buffaloes; and (ii) goats and sheep from countries approved by DVS.	Up to 31 December 2022	None.	Not applicable
6.	FFMSB	DVS	Registration as importer of UHT milk and pasteurized milk for the year 2022 from Australia.	Up to 31 December 2022	None.	Not applicable

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Validity Period	Salient conditions	Status of compliance
7.	Farm Fresh	Ministry of Health Malaysia ("**MOHM**")	Food premise registration for the following premise: Kompleks Tenusu, Plot D, KM 6, Jalan Rompin, 26700 Muadzam Shah, Rompin, Pahang.	Up to 3 July 2022	None.	Not applicable
8.	FFMSB	MOHM	Food premise registration for the following premise: 11-1, Jalan Petaling, Kawasan Perindustrian Larkin, 80350 Johor Bahru.	Up to 17 January 2024	None.	Not applicable
9.	Farm Fresh	Rompin District Council	Business premise and advertisement licence to carry out trade, business, industrial activities at the following premise: Kompleks Tenusu, Plot D KM6, Jalan Rompin, Muadzam Shah, 26700, Muadzam Shah Pahang Darul Makmur.	Up to 31 December 2022	None.	Not applicable
10.	Farm Fresh	Sepang Municipal Council	Business premise licence for management office, cattle farm, cow milk processing centre, sales exhibition and warehouse to store cattle feed at the following premise: Lot PT 533 UPM Serdang, Bahagian Ternakan Taman Pertanian Universiti, 43400 Serdang, Selangor.	Up to 29 March 2022	None.	Not applicable

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Validity Period	Salient conditions	Status of compliance
11.	Farm Fresh	Kuala Lumpur City Council	Business premise licence to carry out administration office and storage warehouse at the following premise: No. 30, Jalan Kilang Midah, Taman Midah, 56000 Kuala Lumpur.	Up to 27 August 2022	The total number of foreign employees of the licensee shall not be more than local employees or more than 50% of Malaysians and with valid work permit.	Complied
12.	Holstein Dairy (Desaru)	Pengerang Municipal Council	Business premise licence to carry out activities related to cattle breeding centre at the following address: Plot AG-1101, Lembah Makanan Bio Desaru, Jalan Tanjung Balau-Tanjung Sedili, 81930 Bandar Penawar, Kota Tinggi, Johor Darul Takzim.	Up to 31 December 2022	None.	Not applicable
13.	FFMSB	Johor Bahru City Council	Business and advertisement licence to carry out activities related to cow's milk and goat's milk processing and general office at the following premise: 11-1, Jalan Petaling Kawasan Perindustrian Larkin 80350 Johor Bahru.	Up to 31 December 2022	None.	Not applicable
14.	FFMSB	Johor Bahru City Council	Business and advertisement licence to carry out activities related to operate the warehouse at the following premise: No. 14A, Jalan Petaling Kawasan Perindustrian Larkin 80350 Johor Bahru.	Up to 31 December 2022	None.	Not applicable

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Validity Period	Salient conditions	Status of compliance
15.	FFMSB	Johor Bahru City Council	Business and advertisement licence to carry out activities related to warehouse at the following address: No.1, Jalan Bakti, Kawsan Perinudstrian Larkin, 80350 Johor Bahru, Johor Darul Takzim.	Up to 31 December 2022	None.	Not applicable
16.	Farm Fresh	Department of Islamic Development Malaysia ("**DIDM**")	Halal Standard certification in relation to the following products: (a) cafe latte flavoured milk; (b) UHT evaporated creamer; (c) UHT reconstituted full cream milk with dates extract; (d) UHT whipping cream; (e) UHT yogurt drink mixed berries flavour; (f) UHT yogurt drink original natural; (g) chocolate milk; (h) fresh milk; (i) fresh milk with dates extract; (j) Skinny milk; (k) UHT Australia fresh milk; (l) UHT Australia low fat fresh milk; (m) UHT cafe latte flavoured milk; (n) UHT chocolate milk; (o) UHT fresh milk;	Up to 30 June 2022	None.	Not applicable

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Validity Period	Salient conditions	Status of compliance
			(p) UHT fresh milk with dates extract; (q) UHT recombined full cream milk; (r) UHT reconstituted chocolate milk; (s) UHT reconstituted fresh milk; (t) UHT reconstituted full cream milk; (u) UHT reconstituted low fat milk; (v) UHT yogurt drink mango tango flavor; and (w) UHT yogurt drink strawberry flavor.			
17.	Farm Fresh	DIDM	Halal Standard certification in relation to the following products: (a) UHT almond beverage original; (b) UHT almond beverage unsweetened; (c) UHT Australian organic A2 protein milk; (d) UHT chocolate soy flavoured milk; (e) UHT coffee flavoured milk cafe latte tongkat ali; (f) UHT Master Barista milk;	Up to 28 February 2023	None.	Not applicable

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Validity Period	Salient conditions	Status of compliance
			(g) UHT oat beverage original; and (h) UHT soy milk original.			
18.	Farm Fresh	DIDM	Halal Standard certification in relation to the following products: (a) Australian fresh milk organic A2 protein milk; (b) Australian pasteurised & homogenised cow's milk; (c) Australian pasteurized & homogenized cow's milk (low fat); (d) Fresh soy milk original pasteurized & homogenized; (e) Fresh soy milk unsweetened pasteurized & homogenised; (f) Master Barista Australian pasteurized & homogenised cow's milk; (g) Naturally tasty oat beverage original pasteurized & homogenised; (h) New Zealand pasteurized & homogenised cow's milk 0% fat full skimmed; (i) pure fresh milk; (j) pure fresh milk skinny low fat pasteurized & homogenised;	Up to 30 April 2023	None.	Not applicable

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Validity Period	Salient conditions	Status of compliance
			(k) UHT lactose free fresh milk; and (l) UHT skinny low fat fresh milk.			
19.	Farm Fresh	DIDM	Halal Standard certification in relation to the following products: (a) Contract manufacturing / OEM (food / beverage / supplements)	Up to 15 February 2024	None.	Not applicable
20.	Farm Fresh	DIDM	Halal Standard certification in relation to the following products: (a) banana flavoured milk; (b) full cream milk pasteurized & homogenised; (c) UHT banana flavoured milk; (d) UHT chocolate flavoured milk lactose free; (e) UHT chocolate flavoured oat beverage; (f) UHT fruit punch flavoured yogurt drink; and (g) UHT lychee flavoured yoghurt drink.	Up to 31 July 2023	None.	Not applicable

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Validity Period	Salient conditions	Status of compliance
21.	FFMSB	DIDM	Halal Standard certification in relation to the following products: (a) fruit punch flavoured yogurt drink; (b) lychee flavoured yogurt drink; and (c) Organic Australian fresh milk A2 protein milk.	Up to 30 June 2023	None.	Not applicable
22.	FFMSB	DIDM	Halal Standard certification in relation to the following products: (a) Australian pasteurized cow's milk; (b) Australian pasteurized cow's milk (low fat); (c) Australian pasteurized cow's milk full skimmed; (d) cafe latte flavour milk; (e) chocolate flavour milk; (f) durian fruit puree preparation; (g) Farm Fresh natural yogurt; (h) farm yogurt apricot; (i) farm yogurt durian; (j) farm yogurt fig;	Up to 30 June 2022	None.	Not applicable

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Validity Period	Salient conditions	Status of compliance
			(k) farm yogurt mango; (l) farm yogurt mixed berries; (m) farm yogurt original; (n) farm yogurt peach; (o) farm yogurt pumpkin; (p) farm yogurt strawberries; (q) fig fruit puree preparation; (r) fresh milk with date extract; (s) goat's milk; (t) Greek yogurt aloe vera and peach; (u) Greek yogurt apricot and 5 super seeds; (v) Greek yogurt blueberries with almonds and grains; (w) Greek yogurt mulberries & strawberries; (x) Greek yogurt original; (y) lactose free fresh milk; (z) lactose free fresh milk (light); (aa) Master Barista Australian pasteurized cow's milk;			

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Validity Period	Salient conditions	Status of compliance
			(bb) pure fresh milk; (cc) pure fresh milk Skinny/low fat; (dd) Skinny low fat natural yogurt; (ee) soy milk original; (ff) soy milk unsweetened; (gg) Yarra Farm natural yogurt; (hh) yogurt drink mango tango flavour; (ii) yogurt drink mixed berries flavour; (jj) yogurt drink original natural; and (kk) yogurt drink strawberries flavour.			
23.	FFMSB	DIDM	Halal Standard certification in relation to the following products: (a) banana flavoured milk; and (b) full cream milk pasteurised & homogenised	30 September 2023	None.	Not applicable

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Validity Period	Salient conditions	Status of compliance
24.	FFMSB	Feed Board	Licence to import feed or feed additive issued to Loi Tuan Ee from FFMSB to import the following using Pelabuhan Pasir Gudang, Pelabuhan Tanjung Pelepas, Pelabuhan Klang Barat, Pelabuhan Klang Selatan or Pelabuhan Klang/Pelabuhan Klang Utara as an entry point: (a) alfafa hay (under category of forage) from the United States of America; and (b) dried distiller grains with solubles (under the category of formulated feed) from Australia.	Up to 31 December 2022	The alfalfa hay and dried distiller grains with solubles have to be stored in 11-1, Jalan Petaling Kawasan Perindustrian Larkin 80350 Johor Bahru.	Complied
25.	Farm Fresh	Pahang Water and Energy Resources Sdn Bhd	Water abstraction licence granted to Farm Fresh to abstract water at Kompleks Tenusu Muadzam Shah, Plot D, KM 6, Jalan Muadzam - Rompin, 26700 Muadzam Shah, Rompin, Pahang.	Up to 31 December 2022	(a) Farm Fresh is not allowed to make any diversions or restrictions on any natural flow of the water resources; and	Complied
					(b) Farm Fresh is not permitted to alter, disturb, cause or permit to alter or disturb any area of the waterbody such as river banks, creeks or water source stream.	Complied
26.	FFMSB	Johor Water Regulatory Body ("**BAKAJ**")	Water abstraction licence for industrial purpose granted to FFMSB to abstract water for industrial purpose at PN 84720, Lot 6382, Mukim Bandar Johor Bahru, Daerah Johor Bahru (now known as HSD 606095, PTB 24793, Bandar Johor Bahru, Daerah Johor Bahru (Larkin Facility)).	Up to 31 December 2021[(1)]	(a) The water intakes of the water abstraction are limited to the approved location only.	Complied
					(b) The amount of water abstracted shall not exceed the maximum amount permitted (which is $80m^3$ per day).	Complied

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Validity Period	Salient conditions	Status of compliance
27.	Holstein Dairy (Desaru)	BAKAJ	Water abstraction licence granted to Holstein Dairy (Desaru) to abstract water at part of PTD 1721, Lot AG 1101, Mukim Sedili Kechil, Kota Tinggi, Johor.	Up to 31 December 2021[(2)]	(a) The water intakes of the water abstraction are limited to the approved location only. (b) The amount of water abstracted shall not exceed the maximum amount permitted (which is 108m^3 per day).	Complied
28.	Serdang Dairy	Selangor Waters Management Authority	Ground water abstraction licence granted to Serdang Dairy to abstract water at Telaga 1 (TW1), Unit Tenusu, Ladang 16 Taman Pertanian Universiti, Universiti Putra Malaysia, 43400 Serdang.	Up to 31 October 2022	The licensee shall comply with the following conditions:	
					(a) to abstract water for commercial purposes from the following approved source: Unit Tenusu, Ladang 16 Taman Pertanian Universiti, Universiti Putra Malaysia, 43400 Serdang; and	Complied
					(b) ensure the pump rate does not exceed; TW1 = 6.5 m3/hour and the pumping carried out shall not exceed 12 hours a day and groundwater level monitoring shall be done if pumping is done simultaneously.	Complied
29.	Serdang Dairy	Selangor Waters Management Authority	Ground water abstraction licence granted to Serdang Dairy to abstract water at Telaga (TW2), Unit Tenusu, Ladang 16 Taman Pertanian Universiti, Universiti Putra Malaysia, 43400 Serdang	Up to 31 October 2022	The licensee shall ensure the pump rate does not exceed; TW2 = 7.5 m3/hour and the pumping carried out shall not exceed 12 hours a day and groundwater level monitoring shall be done if pumping is done simultaneously.	Complied
30.	Farm Fresh	Ministry of Domestic Trade and Consumer Affairs ("**MDTCA**")	Permit granted to Farm Fresh to buy and store 20,000 litres of diesel (without subsidy) at the following premise: Kompleks Tenusu Muadzam Shah (Farm), Plot D, KM 6, Jalan Rompin, 26700 Muadzam Shah, Rompin, Pahang.	Up to 6 September 2024	The permit holder is allowed to buy and stored scheduled controlled articles as per the details below: **Types and Description of Scheduled Controlled Articles** / **Storage Quantity** Diesel (without subsidy) / 20,000 litres	Complied

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Validity Period	Salient conditions	Status of compliance
31.	Farm Fresh	MDTCA	Permit granted to Farm Fresh to buy and store 30,000 litres of diesel (without subsidy) at the following premise: Kompleks Tenusu Muadzam Shah, Plot D, KM 6, Jalan Rompin, 26700 Muadzam Shah, Rompin, Pahang.	Up to 19 January 2025	The permit holder is allowed to buy and stored scheduled controlled articles as per the details below: **Types and Description of Scheduled Controlled Articles** / **Storage Quantity** Diesel (without subsidy) / 30,000 litres	Complied
32.	Farm Fresh	MDTCA	Permit granted to Farm Fresh to buy and store 15,000 litres of diesel (supply from licensed wholesaler) at the following premise: Ladang 16, Bahagian Ternakan Taman Pertanian Universiti, UPM 43400 Serdang, Seri Kembangan, Selangor.	Up to 13 June 2022	The permit holder is allowed to buy and stored scheduled controlled articles as per the details below: **Types and Description of Scheduled Controlled Articles** / **Storage Quantity** Diesel (supply from licensed wholesaler) / 15,000 litres	Complied
33.	FFMSB	MDTCA	Permit granted to FFMSB to buy and store 14,000 litres of diesel fuel (supply from licensed wholesaler) at the following premise: 11-1 Jalan Petaling, Kawasan Perindustrian Larkin, 80350 Johor Bahru, Johor.	Up to 6 April 2024	The permit holder is allowed to buy and stored scheduled controlled articles as per the details below: **Types and Description of Scheduled Controlled Articles** / **Storage Quantity** Diesel (supply from licensed wholesaler) / 14,000 litres	Complied
34.	Farm Fresh	Energy Commission	Certificate of Registration (Installation No. ST(PKN)P/S/PHG/01264) granted to Farm Fresh in relation to the generator sets with 4,250kW in relation to Kompleks Tenusu Muadzam, Plot D, KM 6, Muadzam – Rompin, 26700 Muadzam Shah, Pahang Darul Makmur	Up to 3 October 2023	None.	Not applicable

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Validity Period	Salient conditions	Status of compliance
35.	FFMSB	Energy Commission	Licence for private installation (Licence No. 2021/02833) granted to FFMSB in relation to the generator sets with 148.75kW in relation to PTD 2975, Mukim Ulu Sungei Sedili Besar, 81900 Kota Tinggi, Johor	Up to 9 November 2022	None.	Not applicable
36.	Holstein Dairy (Desaru)	Energy Commission	Certificate of Registration (Installation No. ST(SJB)P/S/JHR/04502) granted to Holstein Dairy (Desaru) in relation to the generator set with 85 kW in relation to Projek Ternakan Lembu Tenusu – Biodesaru at Plot AG-1101, Lot PTD 1721, Jalan Tg. Balau – Tg. Sedili, Bandar Penawar 81350, Kota Tinggi, Johor.	Up to 24 July 2022	None.	Not applicable
37.	FFMSB	Energy Commission	Certificate of Registration (Installation No. ST(SJB)P/S/JHR/04537) granted to FFMSB in relation to the generator sets with 297.5 kW in relation to 11-1 Jalan Petaling, Kawasan Perindustrian Larkin, 80350 Johor Bahru, Johor.	Up to 18 September 2023	None.	Not applicable

***Notes**:*

(1) FFMSB had on 4 January 2022 made the requisite payment to BAKAJ for the renewal of water abstraction licence and is currently pending the issuance of renewed water abstraction licence by BAKAJ.

(2) Holstein Dairy (Desaru) had on 6 January 2022 made the requisite payment to BAKAJ for the renewal of water abstraction licence and is currently pending the issuance of renewed water abstraction licence by BAKAJ.

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

Australia

No.	Licensee	Approving authority	Description of licence/ permit/approval	Validity Period	Salient conditions	Status of compliance
1.	Henry Jones Foods	Campaspe Shire Council	Certificate of registration of food premise for the business premises at 85 McCormick Road, Kyabram, VIC 3620.	Up to 31 December 2021[(1)]	None.	Complied
2.	Goulburn Valley Creamery	Dairy Food Safety Australia	Dairy industry licence which allows Goulburn Valley Creamery to manufacture dairy food at 32 Barton Road Kyabram VIC 3620.	Up to 31 December 2022	The license holder must: (a) comply with all relevant provisions of the Food Act 1984 (Vic) and the Australia New Zealand Food Standards Code in the conduct of the dairy business and in respect of dairy food; (b) ensure that an approved auditor or authorized officer verifies its implementation and continued compliance with an approved dairy food safety program by bi-annual audit; (c) comply with any corrective action requests from an approved auditor or officer; (d) comply with any product sampling requests from an authorized officer; (e) immediately notify Dairy Food Safety Victoria in writing of any changes to the ownership of the business or the products manufactured by the business or processes used to manufacture products; and (f) ensure that any milk or milk product other than those sold for human consumption or to another license holder is treated in a manner approved by Dairy Food Safety Victoria.	Complied

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Licensee	Approving authority	Description of licence/ permit/approval	Validity Period	Salient conditions	Status of compliance
3.	THMC (Australia)	Goulburn-Murray Water	Water licence (High Reliability Water Share) which allows THMC (Australia) to use water at 385 Park Road, Undera VIC 3629, 315 Fidge Road, Undera VIC 3629, 1210 Mulcahy Road, Undera VIC 3629 and 330 Fidge Road, Undera VIC 3629 up to 29 megalitres per year.	Valid until revoked	None.	Complied
4.	THMC (Australia)	Goulburn-Murray Water	Water licence (High Reliability Water Share) which allows THMC (Australia) to use water at 385 Park Road, Undera VIC 3629, 315 Fidge Road, Undera VIC 3629, 1210 Mulcahy Road, Undera VIC 3629 and 330 Fidge Road, Undera VIC 3629 up to 702.8 megalitres per year.	Valid until revoked	None.	Complied
5.	THMC (Australia)	Goulburn-Murray Water	Water licence (High Reliability Water Share) which allows THMC (Australia) to use water at 385 Park Road, Undera VIC 3629, 315 Fidge Road, Undera VIC 3629, 1210 Mulcahy Road, Undera VIC 3629 and 330 Fidge Road, Undera VIC 3629 up to 30 megalitres per year.	Valid until revoked	None.	Complied
6.	THMC (Australia)	Goulburn-Murray Water	Water licence (High Reliability Water Share) which allows THMC (Australia) to use water at 385 Park Road, Undera VIC 3629, 315 Fidge Road, Undera VIC 3629, 1210 Mulcahy Road, Undera VIC 3629 and 330 Fidge Road, Undera VIC 3629 up to 40 megalitres per year.	Valid until revoked	None.	Complied

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Licensee	Approving authority	Description of licence/ permit/approval	Validity Period	Salient conditions	Status of compliance
7.	THMC (Australia)	Goulburn-Murray Water	Water licence (High Reliability Water Share) which allows THMC (Australia) to use water at 385 Park Road, Undera VIC 3629, 315 Fidge Road, Undera VIC 3629, 1210 Mulcahy Road, Undera VIC 3629 and 330 Fidge Road, Undera VIC 3629 up to 5 megalitres per year.	Valid until revoked	None.	Complied
8.	THMC (Australia)	Goulburn-Murray Water	Water licence (Low Reliability Water Share) which allows THMC (Australia) to use water at 385 Park Road, Undera VIC 3629, 315 Fidge Road, Undera VIC 3629, 1210 Mulcahy Road, Undera VIC 3629 and 330 Fidge Road, Undera VIC 3629 up to 383 megalitres per year.	Valid until revoked	None.	Complied
9.	THMC (Australia)	Goulburn-Murray Water	Water licence (Low Reliability Water Share) which allows THMC (Australia) to use water at 385 Park Road, Undera VIC 3629, 315 Fidge Road, Undera VIC 3629, 1210 Mulcahy Road, Undera VIC 3629 and 330 Fidge Road, Undera VIC 3629 up to 19.5 megalitres per year.	Valid until revoked	None.	Complied
10.	THMC (Australia)	Goulburn-Murray Water	Water Use Licence which allows THMC (Australia) to use water for the purposes of irrigation at 755 Lancaster-Mooroopna Road, Undera VIC 3629 up to 13.4 megalitres per year.	Valid until revoked	None.	Complied

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Licensee	Approving authority	Description of licence/ permit/approval	Validity Period	Salient conditions	Status of compliance
11.	THMC (Australia)	Goulburn-Murray Water	Water Use Licence which allows THMC (Australia) to use water for the purposes of irrigation at 385 Park Road, Undera VIC 3629 and 1210 Mulcahy Road, Undera VIC 3629 up to 1.788 megalitres per year.	Valid until revoked	None.	Complied
12.	THMC (Australia)	Goulburn-Murray Water	Water Use Licence which allows THMC (Australia) to use water for the purposes of irrigation at 315 Fidge Road, Undera VIC 3629 and 330 Fidge Road, Undera VIC 3629 up to 3,391.70 megalitres per year.	Valid until revoked	None.	Complied
13.	THMC (Australia)	Goulburn-Murray Water	Water Use Registration which allows THMC (Australia) to use water for the purposes other than irrigation at 1856 Davies Road, St Germains VIC 3620 up to 10 megalitres per year.	Valid until revoked	None.	Complied
14.	THMC (Australia)	Goulburn-Murray Water	Groundwater (Take and Use) Licence which allows THMC (Australia) to take and use water from a waterway, catchment dam, spring, soak or aquifer at 385 Park Road, Undera VIC 3629 up to 550 megalitres per year.	Up to 30 June 2031	Water must be taken in accordance with the rosters and restrictions as set out in the management plan, local water management rules or other document that is made available by the authority.	Complied
15.	THMC (Australia)	Goulburn-Murray Water	Works Licence which allows THMC (Australia) to construct, alter, operate, remove or decommission any works on a waterway, or a bore, or a dam belonging to a prescribed class of dams at 385 Park Road, Undera VIC 3629 up to 550 megalitres per year and 3.3 megalitres per day.	Up to 30 June 2031	The licence holder must construct and maintain bund walls around any hydrocarbon-fuel-driven engine, motor, fuel storage or chemical storage used in connection with this licence.	Complied

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Licensee	Approving authority	Description of licence/ permit/approval	Validity Period	Salient conditions	Status of compliance
16.	THMC (Australia)	Goulburn-Murray Water	Surface Diversion Service (Registration Licence) which allows THMC (Australia) to use water at 315 Fidge Road, Undera VIC 3629 up to 371 megalitres per year.	Valid until revoked	None.	Complied
17.	THMC (Australia)	Goulburn-Murray Water	Works License – 371 megalitres per year (i.e. a licence that authorises the construction, alteration, operation, removal or decommissioning of any works on a waterway, or a bore, or a dam belonging to a prescribed class of dams).	Valid until revoked	None.	The works under this licence have been completed and the registered water use licence corresponding to these works is the Surface Diversion Service (Registration Licence) as listed in item 16 above and that the license was complied with while it was in operation.
18.	THMC (Australia)	Goulburn-Murray Water	Water licence (High Reliability Water Share) which allows THMC (Australia) to use water at 755 Lancaster-Mooroopna Road, Undera VIC 3629 up to 2 megalitres per year.	Valid until revoked	None.	Complied

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Licensee	Approving authority	Description of licence/ permit/approval	Validity Period	Salient conditions	Status of compliance
19.	THMC (Australia)	Goulburn-Murray Water	Water licence (Low Reliability Water Share) which allows THMC (Australia) to use water at 755 Lancaster-Mooroopna Road, Undera VIC 3629 up to 0.5 megalitres per year.	Valid until revoked	None.	Complied
20.	THMC (Australia)	Goulburn-Murray Water	Water Use Licence which allows THMC (Australia) to use water for the purposes of irrigation at 490 Neal Road, Undera VIC 3629 and 695 Norton Road, Undera VIC 3629 up to 854.7 megalitres per year.	Valid until revoked	None.	Complied
21.	THMC (Australia)	Goulburn-Murray Water	Water Use Licence which allows THMC (Australia) to use water for the purposes of irrigation at 515 Norton Road, Undera VIC 3629 up to 417.6 megalitres per year.	Valid until revoked	None.	Complied
22.	THMC (Australia)	Goulburn-Murray Water	Water Use Licence which allows THMC (Australia) to use water for the purposes of irrigation at 705 Echuca Road, Ardmona VIC 3629 up to 973.6 megalitres per year.	Valid until revoked	None.	Complied
23.	THMC (Australia)	Goulburn-Murray Water	Groundwater (Take and Use) Licence which allows THMC (Australia) to use water take and use water from a waterway, catchment dam, spring, soak or aquifer at 705 Echuca Road, Ardmona VIC 3629 up to 202 megalitres per year.	Up to 30 June 2033	The authority may determine a lower water allocation for an annual period.	Complied
24.	THMC (Australia)	Goulburn-Murray Water	Water licence (Delivery Share) which allows THMC (Australia) to use water at 705 Echuca Road, Ardmona VIC 3629 up to 699.3 megalitres per year and 2.59 per day.	Valid until revoked	None.	Complied

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS *(Cont'd)*

No.	Licensee	Approving authority	Description of licence/ permit/approval	Validity Period	Salient conditions	Status of compliance
25.	THMC (Australia)	Goulburn-Murray Water	Water licence (High Reliability Water Share) which allows THMC (Australia) to use water at 85 McCormick Road, Kyabram VIC 3620 up to 201 megalitres per year.	Valid until revoked	None.	Complied

Note:

(1) *Henry Jones Foods has submitted and paid its registration renewal for 2022 and has received correspondence from Campaspe Shire Council noting delays to processing the registration renewal due to staff shortages but confirming that this delay does not impact Henry Jones Foods' ability to operate its business with respect to the certificate of registration.*

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ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT

B.1 MATERIAL PROPERTIES OWNED BY OUR GROUP

Details of the material land and buildings/land use rights owned by us are set out below:

Malaysia

No.	Name of registered owner/ Lot No./ Postal address/Tenure	Description of property/ Existing use	Date of issuance of certificate of fitness for occupation/ CCC	Built-up area/ Land area (approximate) (sq m unless otherwise stated)	Category of land use/ Express condition/ Restriction in interest	Encumbrances on property
1.	FFMSB HSD 606095, PTB 24793, Bandar Johor Bahru, Daerah Johor Bahru, Johor ("**PTB 24793**"). 11 and 11-1, Jalan Petaling, Kawasan Perindustrian Larkin, 80300 Johor Bahru, Johor. Leasehold for a period of 60 years expiring on 23 October 2041.	Two single-storey factory buildings[(1)] and two storey office building / Processing facility, dairy storage, chiller, packaging line and office also known as Larkin Facility.	26 January 1987	5,213.38 / 7,543	***Category of land use*** Industry ***Express condition*** • The land shall be used as medium industry area for the purposes of milk processing plant and other related uses and constructed in accordance with plan approved by the relevant local authorities. • All impurities and pollutants resulting from the activity shall be channelled/ disposed to locations determined by the relevant authorities. • To comply with all policies and conditions determined and enforced from time to time by the relevant authorities. ***Restriction-in-interest*** • The land shall not be sold, charged, mortgaged, leased or transferred in any manner whatsoever, including by way of any letter of agreement for the purposes of disposing or selling the land, without the consent of the State Authority. • The land shall not be transferred in any manner whatsoever, except for the construction of infrastructure relating to public facilities in accordance with the plan approved by the relevant local authority.	The land is currently charged to CIMB Islamic Bank Berhad

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT *(Cont'd)*

No.	Name of registered owner/ Lot No./ Postal address/Tenure	Description of property/ Existing use	Date of issuance of certificate of fitness for occupation/ CCC	Built-up area/ Land area (approximate) (sq m unless otherwise stated)	Category of land use/ Express condition/ Restriction in interest	Encumbrances on property
2.	FFMSB HSD 9280, TLO 2933, Bandar Johor Bahru, Daerah Johor Bahru, Johor. 14 and 14A, Jalan Petaling, Kawasan Perindustrian Larkin, 80300 Johor Bahru, Johor. Leasehold for a period of 60 years, expiring on 12 June 2032.	Single storey factory building / Warehouse and processing facility comprises pasteurize system, batching and filling machine.	22 February 1978	1,282.06 / 0.5666 ha	***Category of land use*** Industry ***Express condition*** • The land shall be used for factory for the purposes of light industry and other related uses, constructed in accordance with plan approved by the relevant local authorities. • All impurities and pollutants resulting from the activity shall be channelled/ disposed to locations determined by the relevant authorities. • To comply with all policies and conditions determined and enforced from time to time by the relevant authorities. ***Restriction-in-interest*** Nil	The land is currently charged to Bank Pertanian Malaysia Berhad.
3.	Gem Organics HSD 24448, PTD 2975, Mukim Ulu Sungei Sedeli Besar, Daerah Kota Tinggi, Johor ("**PTD 2975**"). PTD 2975, Batu 13, Jalan Mersing, 81900 Kota Tinggi, Johor. Leasehold for a period of 30 years, expiring on 4 January 2035.	Dairy cattle farm known as Mawai Farm leased to FFMSB.	Please refer to note (2)	18,468.81/ 190.5890 ha	***Category of land use*** Agriculture ***Express condition*** • The land shall be used to cultivate herbs and spirulina only(3). • The landowner shall at all times take steps as instructed by the land administrator to protect the land from erosion. ***Restriction-in-interest*** The land shall not be sold, charged or transferred in any manner whatsoever, including by way of letter of agreement for the purposes of disposing or selling the land without the consent of the State Authority.	The land is currently leased to FFMSB.

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT *(Cont'd)*

Notes:

*(1) The certificate of fitness for occupation (No. 1055/89) ("**CFO**") issued by the Majlis Perbandaran Johor Bahru for one of the single storey factory buildings constructed on PTB 24793 is undated. Majlis Perbandaran Johor Bahru is unable to clarify the date as the copy in Majlis Perbandaran Johor Bahru's record is undated as well.*

(2) FFMSB had constructed a detached house, workers' quarters, cow sheds, cow barns, calf pens, rapid exit milking station, feed store and raw material sheds at our Mawai Farm without a planning permission from the relevant authority and these structures have not been issued with a CCC. FFMSB had on 19 April 2021 and 11 June 2021 appointed consultants to handle the application for planning permission to the relevant authority. Our consultants are currently finalising the submission of the application for planning permission. The submission of the application for planning permission is expected to be made by the end of March 2022. FFMSB will apply for the CCC after the planning permission and building plan approval have been obtained.

In addition, the workers' quarters constructed at our Mawai Farm have not been certified with a certificate for accommodation issued by the Department of Labour as required under Section 24D of the Employees' Minimum Standards of Housing and Amenities Act 1990. FFMSB will apply for the certificate for accommodation for its workers' quarters at our Mawai Farm after the CCC for the building is obtained as a copy of the CCC is required to be submitted together with the application.

(3) Gem Organics had on 30 September 2020 submitted the application to the Kota Tinggi Land Office to amend the express condition to include the current usage by FFMSB on PTD 2975. As at the LPD, the application is pending approval. Please refer to Section 7.17 of this Prospectus for further details.

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ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT *(Cont'd)*

Australia

No.	Name of registered owner/Lot No. /Postal address/Tenure	Description of property/Existing use	Date of issuance of certificate of fitness for occupation/CCC	Built-up area/ Land area (approximate) (sq m unless otherwise stated)	Category of land use / Express condition / Restriction in interest	Encumbrances on property
1.	THMC (Australia) 315 Fidge Road, Undera VIC 3629, comprising of: • Description of Title: Lot 2 PS 530507H – Certificate of Title: 10853 / 404 • Description of Title: Lot 1 TP 131288E – Certificate of Title: 9085 / 787 • Description of Title: Lot 1 TP 841622K – Certificate of Title: 9252 / 355 Freehold	A farm house, a milking station and a cow shed / Dairy farm known as Greater Shepparton Farm.	Building and Scaffolding Permit dated 6 June 1979 in relation to the dwelling class 1 and garage. Certificate of Compliance – Design dated 20 September 1995 in relation to the building described as "House Dairy Plant". Building Permit dated 22 September 1995 in relation to a non-habitable building or structure (described as "Rotary Dairy") Certificate of Final Inspection for Farm Use Building for floor area of 4,732 sq m dated 8 December 2010. In relation to other improvements, please refer to note (1).	10,300 / 2,393,467	Farming Zone - Schedule 1 under the Greater Shepparton Planning Scheme.	**Lot 2 PS 530507H:** • Mortgage AQ751395W 21/02/2018: Australia and New Zealand Banking Group Ltd. • Agreement Section 173 Planning and Environment Act 1987: AD321178T 20/12/2004. **Lot 1 TP 131288E:** • Mortgage AQ751395W 21/02/2018: Australia and New Zealand Banking Group Ltd. **Lot 1 TP 841622K:** • Mortgage AQ751395W 21/02/2018: Australia and New Zealand Banking Group Ltd. • Notice Section 57 Transfer of Land Act 1958: State Rivers & Water Supply Commission, D674303 01/04/1970.

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT *(Cont'd)*

No.	Name of registered owner/Lot No. /Postal address/Tenure	Description of property/Existing use	Date of issuance of certificate of fitness for occupation/CCC	Built-up area/ Land area (approximate) (sq m unless otherwise stated)	Category of land use / Express condition / Restriction in interest	Encumbrances on property
2.	THMC (Australia) 330 Fidge Road, Undera VIC 3629, comprising of: • Description of Title: Lot 1 TP 104429R – Certificate of Title: 9659 / 225 Freehold	A farm house / Dairy farm known as Greater Shepparton Farm.	Please refer to note (1)	160 / 1,238,968	Farming Zone - Schedule 1 under the Greater Shepparton Planning Scheme.	Mortgage AQ751395W 21/02/2018: Australia and New Zealand Banking Group Ltd.
3.	THMC (Australia) 1856 Davies Road, St Germains VIC 3620, comprising of: • Description of Title: Lot 2 PS 418748L - Certificate of Title: 10820 / 506 Freehold	Vacant land / Dairy farm known as Greater Shepparton Farm.	Not applicable	Not applicable / 462,841	Farming Zone - Schedule 1 under the Greater Shepparton Planning Scheme.	Mortgage AQ751395W 21/02/2018: Australia and New Zealand Banking Group Ltd.
4.	THMC (Australia) 1210 Mulcahy Road, Undera VIC 3629 , comprising of: • Description of Title: Lot 3 PS 530737P – Certificate of Title: 10872 / 469 Freehold	A farm house / Dairy farm known as Greater Shepparton Farm.	Please refer to note (1)	180 / 624,000	Farming Zone - Schedule 1 under the Greater Shepparton Planning Scheme.	Mortgage AQ751395W 21/02/2018: Australia and New Zealand Banking Group Ltd.

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT *(Cont'd)*

No.	Name of registered owner/Lot No. /Postal address/Tenure	Description of property/Existing use	Date of issuance of certificate of fitness for occupation/CCC	Built-up area/ Land area (approximate) (sq m unless otherwise stated)	Category of land use / Express condition / Restriction in interest	Encumbrances on property
5.	THMC (Australia) 385 Park Road, Undera VIC 3629, comprising of: • Description of Title: Lot 4 PS 323892G – Certificate of Title: 10259 / 177 • Description of Title: Lot 1 PS 530737P – Certificate of Title: 10872 / 467 Freehold	A farm house / Dairy farm known as Greater Shepparton Farm.	Please refer to note (1)	190 / 1,232,300	Farming Zone - Schedule 1 under the Greater Shepparton Planning Scheme.	Mortgage AQ751395W 21/02/2018: Australia and New Zealand Banking Group Ltd.
6.	THMC (Australia) 755 Lancaster-Mooroopna Road, Undera VIC 3629, comprising of: • Description of Title: Lot 2 PS 323892G – Certificate of Title: 10259 / 175 Freehold	Vacant land / Dairy farm known as Greater Shepparton Farm.	Not applicable	Not applicable / 162,602	Farming Zone - Schedule 1 under the Greater Shepparton Planning Scheme.	Mortgage AQ751397S 21/02/2018: Australia and New Zealand Banking Group Ltd.
7.	THMC (Australia) 490 Neal Road, Undera VIC 3629, comprising of: • Description of Title: CA 36, Sec.C. Parish Undera TP540628A – Certificate of Title: 7157 / 291 • Description of Title: CA 38, Parish Coomboona TP354665F – Certificate of Title: 3305 / 879 Freehold	A farm house, a milking station, a cow shed and two hay sheds / Dairy farm known as Greater Shepparton Farm.	Certificate of Final Inspection issued on 13/11/2013 in relation to two hay sheds confirming completion of works (occupancy permit not required). In relation to other improvements, please refer to note (1).	5,830 / 1,675,499	Farming Zone - Schedule 1 under the Greater Shepparton Planning Scheme.	Lease as to part X747831S 17/09/2001, Expiry Date 01/07/2201: Goulburn Murray Rural Water Authority.

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT *(Cont'd)*

No.	Name of registered owner/Lot No. /Postal address/Tenure	Description of property/Existing use	Date of issuance of certificate of fitness for occupation/CCC	Built-up area/ Land area (approximate) (sq m unless otherwise stated)	Category of land use / Express condition / Restriction in interest	Encumbrances on property
8.	THMC (Australia) 515 Norton Road, Undera VIC 3629, consisting of: • Description of Title: Lot 1 PS114517 – Certificate of Title: 9098 / 584 Freehold	Vacant land / Dairy farm known as Greater Shepparton Farm.	Not applicable.	Not applicable / 628,817	Farming Zone - Schedule 1 under the Greater Shepparton Planning Scheme.	Lease as to part X690774M 23/08/2001, Expiry Date 01/07/2201: Goulburn Murray Rural Water Authority.
9.	THMC (Australia) 695 Norton Road, Undera VIC 3629, consisting of: • Description of Title: CA 63, Parish Coomboona TP541926L – Certificate of Title: 7313 / 531 Freehold	Vacant land / Dairy farm known as Greater Shepparton Farm.	Not applicable.	Not applicable / 646,533	Farming Zone - Schedule 1 under the Greater Shepparton Planning Scheme.	Lease as to part X747830V 17/09/2001, Expiry Date 01/07/2201: Goulburn Murray Rural Water Authority.
10.	THMC (Australia) 705 Echuca Road, Ardmona VIC 3629, consisting of: • Description of Title: Lot 1 PS530836M – Certificate of Title: 11287 / 530 • Description of Title: Lot 5 PS530836M - Certificate of Title: 11287 / 531 • Description of Title: Lot 4 PS 530836M - Certificate of Title: 11287 / 534 Freehold	Three farm houses, a milking station and a cow shed / Dairy farm known as Greater Shepparton Farm.	Certificate of Final Inspection issued on 19/07/2016 in relation to farm shed work confirming completion of works (occupancy permit not required). Certificate of Final Inspection issued on 18/3/2019 in relation to calf pen shed work confirming completion of works (occupancy permit not required).	3,150 / 1,407,395	Farming Zone - Schedule 1 under the Greater Shepparton Planning Scheme.	Mortgage AS096415B 16/04/2019: Australia and New Zealand Banking Group Ltd.

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT *(Cont'd)*

No.	Name of registered owner/Lot No. /Postal address/Tenure	Description of property/Existing use	Date of issuance of certificate of fitness for occupation/CCC	Built-up area/ Land area (approximate) (sq m unless otherwise stated)	Category of land use / Express condition / Restriction in interest	Encumbrances on property
			In relation to other improvements, please refer to note (1).			
11.	THMC (Australia) 85 McCormick Road, Kyabram VIC 3620, consisting of: • Description of Title: Lot 4 PS615096F - Certificate of Title: 12094 / 723 Freehold	Processing facility / Processing facility also known as Kyabram Facility	Certificate of Final Inspection issued on 22/01/2021 in relation to alterations to existing building confirming completion of those works (occupancy permit not required). In relation to other improvements, refer to note (1).	33,028 / 69,978	Industrial Zone 1 under the Campaspe Planning Scheme.	• Mortgage AS827019P 17/12/2019: Australia and New Zealand Banking Group Ltd. • Caveat as to part AK764967F 06/12/2013, Caveator: Powercor Australia Ltd on the basis of a lease with (THMC Australia).

Note:

(1) *Under Victorian law, any person may request details from the relevant authority of any occupancy permit ("**OP**") or certificate of final inspection issued in relation to a property in the last 10 years. We have conducted this search for each property; this is standard practice in Victoria. Many of the search results did not return any results or did not return results in relation to all buildings / structures on the land. Of itself, this is not usual. There are common circumstances that could explain the lack of results on these building certificates. It could be that any buildings or structures on the land were constructed prior to the period covered by the relevant building certificate (i.e. more than 10 years old). Alternatively, it could be that, due to the nature of the land as farmland, there are no buildings or structures on the land that require an occupancy permit or certificate of final inspection. Under the Victorian building regulatory framework, all building work requires a building permit, unless an exemption exists under the Building Regulations 2018. A building permit specifies whether an OP or a certificate of final inspection is required. Possible exemptions of a building permit include: some minor alterations or demolitions, pergolas associated with houses, some garden sheds with a floor area less than 10 square metres, etc. In respect of an OP, a building, in general, cannot be occupied or used without an OP. There are limited circumstances in which an OP does not need to be obtained; these include buildings being constructed on land prior to the period covered by the relevant building certificate (i.e. more than 10 years old) or due to the nature of the land being farmland, there is simply no building erected on land that requires a building permit / an OP.*

None of the properties disclosed above are in breach of any land use conditions and/or in non-compliance with statutory requirement, land rules or building regulations which will have a material adverse impact on our operations or utilisation of our assets on the said properties.

B.2 MATERIAL PROPERTIES LEASED / TENANTED BY OUR GROUP

Malaysia

No.	Name of lessor/lessee or landlord/tenant or tenant or sub-tenant/Lot No. /Postal address	Description of property/Existing use	Date of issuance of certificate of fitness for occupation/CCC	Built-up area/ Land area (approximate) (sq m unless otherwise stated)	Period of tenancy or lease	Annual rental
1.	Malaysian Agricultural Research and Development Institute ("**MARDI**") (as landlord) / Farm Fresh (as tenant). Part of PN 24402, Lot 12079, Mukim Keratong, Daerah Rompin, Pahang and Part of PN 24403, Lot 3378, Mukim Keratong, Daerah Rompin, Pahang ("**Muadzam Land**"). Plot D, KM 6, Jalan Rompin, 26700, Muadzam Shah, Pahang.	Muadzam Shah Cattle Research and Innovation Centre comprising cattle farm, cow barns(1), dairy processing facility, technology training complex, feed store, pasture area, solid separator, worm farming house, hay store, advanced reproductive technology office, warehouses(1) guardhouse, worker quarter, silage store, garage and machinery store, general store, pump house and office / Cattle farming known as Muadzam Shah Farm, processing facility known as Muadzam Shah Facility, cattle research office and office.	30 September 2012; 30 May 2014; 10 September 2014; and 23 August 2019.	55,712 / 245.78 ha	3 years from 5 April 2014 to 4 April 2017 with renewal for 10 further terms of 3 years each.	RM121,581.72(2)
2.	Federal Land Commissioner (as landlord) / Farm Fresh (as tenant). Geran 128838, Lot 12802, Mukim Batu Kurau, Daerah Larut & Matang. Geran 128838, Lot 12802, Mukim Batu Kurau, Daerah Larut & Matang, Taiping, Perak.	Cow barns, pasture area, feed store and raw material sheds. / Development of dairy cattle farm also known as Taiping Farm.	Please refer to note (3).	26,477/ 828 acres	3 years from 15 October 2019 to 14 October 2022.	RM256,800.00(4)

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT *(Cont'd)*

No.	Name of lessor/lessee or landlord/tenant or tenant or sub-tenant/Lot No. /Postal address	Description of property/Existing use	Date of issuance of certificate of fitness for occupation/CCC	Built-up area/ Land area (approximate) (sq m unless otherwise stated)	Period of tenancy or lease	Annual rental
3.	Perbadanan Kemajuan Pertanian Negeri Pahang (as sub-lessor) / Farm Fresh (as sub-lessee). HSD 5570, PT 11701, Mukim Bebar, Daerah Pekan, Pahang. Plot D, KM 6, Jalan Rompin, 26700, Muadzam Shah, Pahang.	Vacant land / Development of fodder and beef cattle farm.	Not applicable.	Not applicable / 500 acres.	30 years from 1 January 2021 to 31 December 2050[5]. with an option to renew for a further term of 30 years subject to the consent of Perbadanan Setiausaha Kerajaan Pahang.	RM100,000.00
4.	Bio Desaru Sdn Bhd ("**BDSB**") (as lessor) / Holstein Dairy (Desaru) (as lessee). Part of HSD 32179, PTD 1721, Mukim Sedili Kechil, Kota Tinggi, Johor and part of HSD 32180, PTD 1722, Mukim Sedili Kechil, Kota Tinggi, Johor ("**Demised Premises**"). HSD 32179, PTD 1721, Mukim Sedili Kechil, Kota Tinggi, Johor.	Two cow barns, two storerooms, one milking room and control room, one worker house with toilet, worm farming house, pasture area / Dairy farming, breeding and herd improvement which also known as Desaru Farm.	Please refer to note (6).	7,883 sq ft / 325 acres	Please refer to note (7).	RM25,000.00[7]

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT *(Cont'd)*

No.	Name of lessor/lessee or landlord/tenant or tenant or sub-tenant/Lot No. /Postal address	Description of property/Existing use	Date of issuance of certificate of fitness for occupation/CCC	Built-up area/ Land area (approximate) (sq m unless otherwise stated)	Period of tenancy or lease	Annual rental
5.	Ng Ming Huat Sdn Bhd (as landlord) / FFMSB (as tenant). HSD 520285, Lot 6386, Bandar Johor Bahru, Daerah Johor Bahru, Johor. No. 1, Jalan Bakti, Kawasan Perindustrian Larkin 80350, Johor Bahru, Johor.	One permanent factory building / Warehouse.	18 March 1969	929 / 1.126 ha	3 years from 1 August 2020 to 31 July 2023 with an option to renew for a further term of 2 years.	RM84,000.00
6.	Gem Organics (lessor) / FFMSB (lessee). HSD 24448, PTD 2975, Mukim Ulu Sungei Sedeli Besar, Daerah Kota Tinggi, Johor. PTD 2975, Batu 13, Jalan Mersing, 81900 Kota Tinggi, Johor.	Detached house, workers quarters, cow sheds, cow barns, calf pens, rapid exit milking station, feed store and raw material sheds(8) / Dairy cattle farm also known as Mawai Farm(9).	Please refer to note (8).	18,468.81 / 190.589 ha	10 years from 1 January 2015 with an option to renew for a further term of 10 years.	RM12,000.00
7.	Rainforest Produce Sdn Bhd (as landlord) and FFMSB (as tenant). Geran 95052, Lot 203, Mukim Ulu Sungei Sedeli Besar, Daerah Kota Tinggi, Johor. Lot 203, Mukim Ulu Sungei Sedeli Besar, Daerah Kota Tinggi, Johor.	Grazing ground for goats / Goat farming.	Not applicable.	Not applicable / 11.7611 ha	3 years from 1 April 2021 to 31 March 2024 with an option to renew for a year.	RM12,000.00

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT *(Cont'd)*

No.	Name of lessor/lessee or landlord/tenant or tenant or sub-tenant/Lot No. /Postal address	Description of property/Existing use	Date of issuance of certificate of fitness for occupation/CCC	Built-up area/ Land area (approximate) (sq m unless otherwise stated)	Period of tenancy or lease	Annual rental
8.	Hajris Food Industries Sdn Bhd (as landlord) / Farm Fresh (as tenant). Geran 57053, Lot 21068, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur. No.30 Jalan Kilang Midah, Taman Midah, Cheras, 56000 Kuala Lumpur.	Single storey factory building / Warehouse.	31 July 2019	722.79 / 1,288	2 years from 1 August 2021 to 31 July 2023 with an option to renew for a year.	RM180,000.00

Notes:

(1) A warehouse and 14 barns at our Muadzam Land have not been issued with a CCC as the issuance of the CCC is preceded by the planning permission and building plan approval to be granted by the relevant authority. The submission of the building plan approval requires the planning permission to be first endorsed by Rompin District Council. Our Company had on 8 December 2021 submitted the planning permission to Rompin District Council and the planning permission was endorsed by the Rompin District Council on 16 December 2021. Our consultant is currently preparing the documents required for the submission of the application for building plan approval. Our Company will obtain the CCC after the building plan approval has been granted by the Rompin District Council. We will disclose the status of the application in our quarterly report.

(2) MARDI has granted our Company rental exemption for a period of six months from 1 April 2020 until 30 September 2020.

(3) As part of the development of our Taiping Farm, cow barns, pasture area, feed store and raw material sheds have been constructed and our Company has started its dairy farming operations at our Taiping Farm. The aforesaid buildings constructed at our Taiping Farm have not been issued with a CCC as the issuance of the CCC is preceded by the planning permission and building plan approval to be granted by the Taiping Municipal Council. Our Company had obtained the planning permission approval to develop our Taiping Farm on 23 July 2021. The submission of the building plan approval requires the planning permission to be first endorsed by the Taiping Municipal Council. Our Company had on 27 October 2021 submitted the planning permission to the Taiping Municipal Council and the planning permission was endorsed by the Taiping Municipal Council on 3 December 2021. Our Company had on on 11 January 2022 submitted the application for building plan approval for three barns and a processing facility to be constructed at our Taiping Farm and is currently pending approval from the relevant authority. Our consultant is currently finalising the documents required for the submission of the application for building plan approval for the remaining structures to be constructed at our Taiping Farm and the application is expected to be made by the end of March 2022. Our Company will obtain the CCC after the building plan approval has been granted by the Taiping Municipal Council. We will disclose the status of application in our quarterly report.

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT *(Cont'd)*

(4) Our Company has been granted the following:

(a) rental exemption for a period of nine months from 1 April 2020 to 31 December 2020; and

(b) 50% rental deduction for a period of six months from 1 January 2021 to 30 June 2021.

(5) As at the LPD, the sub-lease has not been registered under Section 222(4) of the NLC. Please refer to Section 5.19 of this Prospectus for further details of risk associated with non-registration of sub-lease.

(6) Holstein Dairy (Desaru) had on 22 December 2020 obtained a temporary building permit from Majlis Perbandaran Pengerang for the buildings constructed at our Desaru Farm. As the issuance of CCC is preceded by planning permission and building plan approval to be granted by Majlis Perbandaran Pengerang, Holstein Dairy (Desaru) intends to submit the application for planning permission to Majlis Perbandaran Pengerang by the end of March 2022. Holstein Dairy (Desaru) will apply for the CCC after planning permission and building plan approval have been obtained.

(7) As part of the joint venture between BDSB and our Company, BDSB has agreed to lease the Demised Premises to Holstein Dairy (Desaru) for a period of 30 years. As at the LPD, the lease has not been registered under Section 221(4) of the NLC. Please refer to Section 5.19 of this Prospectus for further details of the risks associated with non-registration of lease. The lease rental comprises of:

(a) RM25,000 per annum in respect of 25 acres of the Demised Premises payable from 17 May 2018; and

(b) RM3,000,000 in respect of the balance 300 acres of the Demised Premises payable when the lease over the 300 acres is registered in favour of Holstein Dairy (Desaru) where RM1,000,000 will be satisfied by way of Holstein Dairy (Desaru) allotting such number of new ordinary shares to BDSB representing 33% of Holstein Dairy (Desaru)'s issued paid up share capital and the remaining RM2,000,000 in eight annual instalments of RM250,000.

(8) Please refer to notation (2) of Annexure B.1 above.

(9) Please refer to notation (3) of Annexure B.1 above.

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT *(Cont'd)*

Australia

No.	Name of lessor/lessee or landlord/tenant or tenant or sub-tenant/Lot No. /Postal address	Description of property/Existing use	Date of issuance of certificate of fitness for occupation/CCC	Built-up area/Land area (approximate) (sq m unless otherwise stated)	Period of tenancy or lease	Annual rental
1.	Victoria Rail Track (also known as VicTrack) (as landlord) / THMC (Australia) (as tenant) / Railway lots adjacent to 85 McCormick Road, Kyabram.	Discharge pipes connecting to our Kyabram Facility that are under railway lines owned by VicTrack and carry trade waste water that is discharged into evaporation ponds.	Not applicable.	Not applicable.	From 1 November 2021 to 31 October 2031.	Nil
2.	Powercor Australia Limited (as tenant) / THMC (Australia) (as landlord) / 85 McCormick Road, Kyabram.	An electrical kiosk substation site.	Not applicable.	4 / Not applicable.	From 5 September 2012 to 4 September 2042.	$0.10 per annum on demand

None of the properties disclosed above are in breach of any land use conditions and/or in non-compliance with statutory requirement, land rules or building regulations which will have a material adverse impact on our operations or utilisation of our assets on the said properties.

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B.3 OTHER PROPERTIES OCCUPIED BY OUR GROUP

No.	Lot No. /Postal address	Description of property/Existing use	Date of issuance of certificate of fitness for occupation/CCC	Built-up area/Land area (approximate) (sq m unless otherwise stated)	Tenure
1.	Part of HSD 13947, Lot PT 533, Mukim Dengkil, Daerah Sepang, Selangor. Unit Tenusu, Ladang 16 Taman Pertanian Universiti, Universiti Putra Malaysia, 43400 Serdang.	UPM-Farm Industry of Excellent Centre Fresh (ICoE) comprising cows barn, rapid exit milking station, warehouse, pasture area, solid separator, worm farming house, milk processing facility, office, retail & cafe shop, canopy, viewing room, fish conservatory, koi pond, pump house, water tank and toilet / Cattle farming which also known as UPM Farm, processing facility known as UPM Facility.	Please refer to note (1).	14,622 square feet / 40.59 ha	5 years, from 14 August 2017 to 13 August 2022 with an option to renew for a further term of 5 years[(2)].

Notes:

(1) Our Company is in the process of obtaining the CCC. We will disclose the status of application in our quarterly report.

(2) Under the collaboration agreement dated 14 August 2017 between UPM and our Company, our UPM Farm is part of our Company's collaboration with UPM to establish the UPM-Farm Fresh Industry of Excellent Centre (ICoE). The collaboration is intended to, amongst others, enhance research related to dairy products, farming and develop our UPM Farm.

B.4 MATERIAL PROPERTIES UNDER CONSTRUCTION

The material properties under construction as at the LPD are set out below:

No.	Nature/reason of the plan	Estimated amount of expenditures/Expenditures paid (RM'000)	Method of financing	Estimated completion date	Estimated annual production capacity ('000 litres) / farm capacity
1.	Development of Taiping Farm.	8,358	Internal funding and borrowings	First half of 2022	20,790 / 3,100 cows

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B.5 MATERIAL EQUIPMENT

The material plant and equipment used by our business operations as at the LPD are set out below:

Description	**NBV as at 30 September 2021 (RM'000)**
Property, plant and equipment at our Muadzam Shah Farm comprising equipment relating to rotary milking system, tunnel-ventilated barns and cow soakers, and insulated roofing, among others.	28,751
Property, plant and equipment at our Muadzam Shah Facility comprising equipment and machinery relating to pasteurisation, UHT processing, storage tank, filling and packaging lines, among others.	69,577
Property, plant and equipment at our Larkin Facility comprising equipment and machinery relating to pasteurisation lines, storage tank, filling and packaging lines, among others.	39,490
Property, plant and equipment at our Desaru Farm comprising equipment relating to rapid exit milking station, fan ventilated barns, among others	12,048
Property, plant and equipment at our Mawai Farm comprising equipment relating rapid exit milking station, fan ventilated barns, among others.	13,471
Property, plant and equipment at our UPM Farm and UPM Facility comprising equipment relating to rapid exit milking station, tunnel-ventilated barns, pasteurisation line, storage tank, filling and packaging lines, among others.	16,190
Property, plant and equipment at our Taiping Farm comprising equipment relating to barn, tractors, among others	18,792
Property, plant and equipment at our Greater Shepparton Farm comprising equipment relating to rotary milking system, cup remover, feed system, among others.	49,596
Property, plant and equipment at our Kyabram Facility comprising machinery and equipment relating to heat regen and separator, bactofuge process, homogenise, pasteurisation, reverse osmosis, storage tank and high sheer mixer, among others.	69,494
Total	**317,409**

ANNEXURE C: DETAILS OF TRADEMARKS, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS

The trademarks that we are materially dependent on are as follows:

Malaysia

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
1.	FARM-FRESH	Farm Fresh	2010024863	Malaysia	27 December 2030	29: Albumen for food; alginates for food; almonds, ground; anchovy; animal marrow for food; apple puree; bacon; beans, preserved; black pudding; blood sausage; bone oil, edible; bouillon; bouillon concentrates; bouillon (preparations for making); broth; broth concentrates; butter; buttercream; casein for food; caviar; charcuterie; cheese; chips; chocolate nut butter; clams (not live); cocoa butter; coconut butter, coconut, desiccated; coconut fat; coconut oil; colza oil for food; concentrates; corn oil; cranberry sauce (compote); crayfish (not live); cream (dairy products); cream; crisps; croquettes; crustaceans (not live); crystallized fruits; dates; edible birds' nests; edible fats; edible oils; eggs; eggs; eggs (for consumption); fat; fat-containing mixtures for bread slices; fatty substances for the manufacture of edible fats; fillets; fish fillets; fish; fish (not live); fish; preserved; fish, tinned (canned (Am.)); fishmeal for human consumption; flakes; foods prepared from fish; frosted fruits; frozen fruits; fruit chips; fruit jellies; fruit peel; fruit, preserved; fruit preserved in alcohol; fruit pulp; fruit salads; fruit, stewed; fruits; fruits, tinned (canned (Am.));

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
						game (dead); garden herbs, preserved; gelatine for food; gherkins; ginger jam; ham; herrings; hummus (chickpea paste); isinglass for food; jams; jellies for food; juices for cooking; kefir (milk beverage); kephir (milk beverage); koumiss (kumiss) (milk beverage); kumys (kumyss) (milk beverage); lard for food; lentils; preserved; liver; liver pate; lobsters (not live); maize oil; margarine; marmalade; marrow for food; meat; meat extracts; meat jellies; meat, preserved; meat, tinned (canned (Am)); meats; milk; milk beverage (milk predominating); milk products; mushrooms, preserved; mussels (not live); nuts, prepared; olive oil for food; olives, preserved; onions, preserved; oysters (not live); palm kernel oil for food; palm oil for food; pastes; pate; peanut butter; peanuts, processed; peas, preserved; pectin for food; peel; piccalilli, pickles; pollen prepared as foodstuff; pork; potato chips; potato crisps; potato flakes; potato fritters; poultry, not live; powdered eggs; prawns (not live); protein for human consumption; pudding (blood sausage); pulp; raisins; rape oil for food; rennet; salads; salmon; salted fish; salted meats; sardines; sauerkraut; sausages; sausage in batter; sea-cucumbers (not live); sesame oil; shellfish (not live); shrimps (not live); silkworm chrysalis, for human consumption, snail eggs (for consumption); soup; soup preparations;

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
						soups; soya beans, preserved, for food; spiny lobsters (not live); suet for food; sunflower oil for food; tahini (sesame seed paste); tofu; tomato juice for cooking; tomato puree; tripe; truffles, preserved; tuna fish; vegetable juices for cooking; vegetable salads; vegetable soup preparations; vegetables, cooked; vegetables, dried; vegetables, preserved; vegetables, tinned (canned (Am.)); weed extracts for food; whey; whipped cream; white of eggs; yoghurt; yogurt; yolk of eggs; all included in class 29.
2.	FARM-FRESH	Farm Fresh	2017069442	Malaysia	4 October 2027	30: Coffee and tea; all included in class 30.
3.	THE-REAL-MILK	Farm Fresh	2010024866	Malaysia	27 December 2030	35: Advertising; direct mail advertising; outdoor advertising; sales promotion; distribution of samples; franchise and retailing shop connected to food and drink; all included in class 35.
4.	THE-REAL-MILK	Farm Fresh	2010024867	Malaysia	27 December 2030	29: Albumen for food; alginates for food; almonds, ground; anchovy; animal marrow for food; apple puree; bacon; beans, preserved; black pudding; blood sausage; bone oil, edible; bouillon; bouillon concentrates; bouillon (preparations for making); broth; broth concentrates; butter; buttercream; casein for food; caviar; charcuterie; cheese; chips; chocolate

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
						nut butter; clams (not live); cocoa butter; coconut butter, coconut, desiccated; coconut fat; coconut oil; colza oil for food; concentrates; corn oil; cranberry sauce (compote); crayfish (not live); cream (dairy products); cream; crisps; croquettes; crustaceans (not live); crystallized fruits; dates; edible birds' nests; edible fats; edible oils; eggs; eggs; eggs (for consumption); fat; fat-containing mixtures for bread slices; fatty substances for the manufacture of edible fats; fillets; fish fillets; fish; fish (not live); fish; preserved; fish, tinned (canned (Am.)); fishmeal for human consumption; flakes; foods prepared from fish; frosted fruits; frozen fruits; fruit chips; fruit jellies; fruit peel; fruit, preserved; fruit preserved in alcohol; fruit pulp; fruit salads; fruit, stewed; fruits; fruits, tinned (canned (Am.)); game (dead); garden herbs, preserved; gelatine for food; gherkins; ginger jam; ham; herrings; hummus (chickpea paste) isinglass for food; jams; jellies for food; juices for cooking; kefir (milk beverage); kephir (milk beverage); koumiss (kumiss) (milk beverage); kumys (kumyss) (milk beverage; lard for food; lentils; preserved; liver; liver pate; lobsters (not live); maize oil; margarine; marmalade; marrow for food; meat; meat extracts; meat jellies; meat, preserved; meat, tinned (canned (Am)); meats; milk; milk beverage (milk

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
						predominating); milk products; mushrooms, preserved; mussels (not live); nuts, prepared; olive oil for food; olives, preserved; onions, preserved; oysters (not live); palm kernel oil for food; palm oil for food; pastes; pate; peanut butter; peanuts, processed; peas, preserved; pectin for food; peel; piccalilli, pickles; pollen prepared as foodstuff; pork; potato chips; potato crisps; potato flakes; potato fritters; poultry, not live; powdered eggs; prawns (not live); protein for human consumption; pudding (blood sausage); pulp; raisins; rape oil for food; rennet; salads; salmon; salted fish; salted meats; sardines; sauerkraut; sausages; sausage in batter; sea-cucumbers (not live); sesame oil; shellfish (not live); shrimps (not live); silkworm chrysalis, for human consumption, snail eggs (for consumption); soup; soup preparations; soups; soya beans, preserved, for food; spiny lobsters (not live); suet for food; sunflower oil for food; tahini (sesame seed paste); tofu; tomato juice for cooking; tomato puree; tripe; truffles, preserved; tuna fish; vegetable juices for cooking; vegetable salads; vegetable soup preparations; vegetables, cooked; vegetables, dried; vegetables, preserved; vegetables, tinned (canned (Am.)); weed extracts for food; whey; whipped cream; white of eggs; yoghurt; yogurt; yolk of eggs; all included in class 29.

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
5.		Farm Fresh	2012050041	Malaysia	5 January 2032	30: Almond confectionery; barley meal; bean meal; beer vinegar; biscuits; bread; bread rolls; buns; cake paste; cakes; candy for food; caramels (candy); celery salt; cereal preparations; cocoa; cocoa beverages with milk; cocoa products; cocoa-based beverages; coffee; condiments; confectionery; confectionery for decorating Christmas trees; cookies; cooking salt; corn flakes; corn flour; corn meal; crackers; curry (spice); custard; dressings for salad; edible ices; essences for foodstuffs (except etheric essences and essential oils); farinaceous food pastes; farinaceous foods; ferments for pastes; flavorings, other than essential oils; flavorings, other than essential oils, for beverages; flavorings, other than essential oils, for cakes; flour for food; flour-milling products; fruit jellies (confectionery); ginger (spice); gingerbread; golden syrup; groats for human food; gruel, with a milk base, for food; halvah; honey; husked barley; husked oats; ice cream; ice cream (binding agents for -); ice for refreshment; ice, natural or artificial; iced tea; ices (binding agents for edible -); ices (edible -); ices (powder for edible -); liquorice (confectionery); lozenges (confectionery); maize flakes; maize flour; maize meal; malt biscuits; malt for human consumption; meat gravies; macaroni; meat pies; mint for confectionery; natural sweeteners ;

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
						pancakes; pastilles; pastries; pastry; pasty; pate; peanut confectionery; pepper; petit-beurre biscuits; petits fours (cakes); pies; pizzas; popcorn; potato flour for food; powders for ice cream; puddings; quiches; ravioli; ribbon vermicelli; rice; rice cakes; royal jelly for human consumption (not for medical purposes); sago; sandwiches; sauces (condiments); sausage binding materials; sea water (for cooking); seasonings; semolina; soya flour; soya sauce; spaghetti; spices; spring rolls; star aniseed; starch for food; starch products for food; sugar; sugar confectionery; sushi; sweetmeats (candy); tabbouleh; tacos; tapioca; tapioca flour for food; tarts; tea; thickening agents for cooking foodstuffs; unleavened bread; vegetal preparations for use as coffee substitutes; vinegar; waffles; wheat flour; yeast; yeast in pill form, not for medical use; all included in class 30.
6.		Farm Fresh	2012050039	Malaysia	5 January 2032	29: Albumen for food; alginates for food; almonds, ground; anchovy; animal marrow for food; apple puree; bacon; beans, preserved; black pudding; blood sausage; bone oil, edible; bouillon; bouillon concentrates; bouillon ; broth; broth concentrates; butter; buttercream; casein for food; caviar; charcuterie; cheese; chips; chocolate nut butter; clams (not live); cocoa butter; coconut butter, coconut,

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
						desiccated; coconut fat; coconut oil; colza oil for food; concentrates; corn oil; cranberry sauce (compote); crayfish (not live); cream (dairy products); cream; crisps; croquettes; crustaceans (not live); crystallized fruits; dates; edible birds' nests; edible fats; edible oils; eggs; eggs; eggs (for consumption); fat; fat-containing mixtures for bread slices; fatty substances for the manufacture of edible fats; fillets; fish fillets; fish; fish (not live); fish; preserved; fish, tinned (canned (Am.)); fishmeal for human consumption; flakes; foods prepared from fish; frosted fruits; frozen fruits; fruit chips; fruit jellies; fruit peel; fruit, preserved; fruit preserved in alcohol; fruit pulp; fruit salads; fruit, stewed; fruits; fruits, tinned (canned (Am.)); game (dead); garden herbs, preserved; gelatine for food; gherkins; ginger jam; ham; herrings; hummus (chickpea paste); isinglass for food; jams; jellies for food; juices for cooking; kefir (milk beverage); kephir (milk beverage); koumiss (kumiss) (milk beverage); kumys (kumyss) (milk beverage); lard for food; lentils; preserved; liver; liver pate; lobsters (not live); maize oil; margarine; marmalade; marrow for food; meat; meat extracts; meat jellies; meat, preserved; meat, tinned (canned (Am)); meats; milk; milk beverage (milk predominating); milk products; mushrooms, preserved; mussels (not

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
						live); nuts, prepared; olive oil for food; olives, preserved; onions, preserved; oysters (not live); palm kernel oil for food; palm oil for food; pastes; pate; peanut butter; peanuts, processed; peas, preserved; pectin for food; peel; piccalilli, pickles; pollen prepared as foodstuff; pork; potato chips; potato crisps; potato flakes; potato fritters; poultry, not live; powdered eggs; prawns (not live); preparation for making bouillon; protein for human consumption; pudding (blood sausage); pulp; raisins; rape oil for food; rennet; salads; salmon; salted fish; salted meats; sardines; sauerkraut; sausages; sausage in batter; sea-cucumbers (not live); sesame oil; shellfish (not live); shrimps (not live); silkworm chrysalis, for human consumption, snail eggs (for consumption); soup; soup preparations; soups; soya beans, preserved, for food; spiny lobsters (not live); suet for food; sunflower oil for food; tahini (sesame seed paste); tofu; tomato juice for cooking; tomato puree; tripe; truffles, preserved; tuna fish; vegetable juices for cooking; vegetable salads; vegetable soup preparations; vegetables, cooked; vegetables, dried; vegetables, preserved; vegetables, tinned (canned (Am.)); weed extracts for food; whey; whipped cream; white of eggs; yoghurt; yogurt; yolk of eggs; all included in class 29.

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
7.	Farm Fresh	Farm Fresh	2016052356	Malaysia	13 February 2026	29: Milk and milk products; all included in class 29.
8.	Farm Fresh	Farm Fresh	2017069439	Malaysia	4 October 2027	30: Coffee and tea; all included in class 30.
9.	Nubian	Farm Fresh	2016052358	Malaysia	13 February 2026	29: Milk and milk products; all included in class 29.
10.	Hokkaido 北海道	Farm Fresh	2016052437	Malaysia	15 February 2026	29: Milk and milk products; all included in class 29.

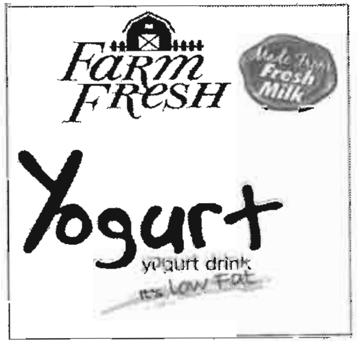
ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
11.	Farm Fresh Naturally tasty HIGH -PROTEIN- CHOCOLATE MILK	Farm Fresh	TM2020030797	Malaysia	21 December 2030	30: Beverages made of coffee; beverages made of coffee; coffee beverages with milk; coffee beverages; coffee-based beverages; iced coffee; instant coffee; prepared coffee-based beverages; chocolate beverages with milk; chocolate desserts; frozen yogurt (confectionery ices).
12.	Farm Fresh Fresh Milk Awesome CHOCOLATE Milk	Farm Fresh	TM2020030798	Malaysia	21 December 2030	30: Beverages made of coffee; beverages made of coffee; coffee beverages with milk; coffee beverages; coffee-based beverages; iced coffee; instant coffee; prepared coffee-based beverages; chocolate beverages with milk; chocolate desserts; frozen yogurt (confectionery ices).
13.	Farm Fresh Fresh Milk Cafe latte Tongkat Ali	Farm Fresh	TM2020030799	Malaysia	21 December 2030	30: Beverages made of coffee; beverages made of coffee; coffee beverages with milk; coffee beverages; coffee-based beverages; iced coffee; instant coffee; prepared coffee-based beverages; chocolate beverages with milk; chocolate desserts; frozen yogurt (confectionery ices).

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
14.	Farm Fresh Made from Fresh Milk Cafe latte	Farm Fresh	TM2020030800	Malaysia	21 December 2030	30: Beverages made of coffee; beverages made of coffee; coffee beverages with milk; coffee beverages; coffee-based beverages; iced coffee; instant coffee; prepared coffee-based beverages; chocolate beverages with milk; chocolate desserts; frozen yogurt (confectionery ices).
15.	Farm Fresh Made from Fresh Milk SUSU Kurma served from Fresh Milk	Farm Fresh	TM2020030801	Malaysia	21 December 2030	29: Milk; oat milk; goat milk; rice milk; soured milk; soya milk; cows' milk; almond milk; milk beverages flavored with coffee, cocoa, chocolate or tea; uht milk; bases for making milk shakes; beverages based on fermented milk substitutes; beverages consisting primarily of milk; desserts made from milk products; eggs, milk and milk products; half and half (milk and cream mixture); hemp milk used as a milk substitute; lactose-free milk; milk beverages flavored with chocolate; milk curd; milk, cheese, butter, yogurt and other milk products; beverages, made from yogurt; milk-based beverages containing fruits; milk-based beverages flavored with vanilla; non-fat milk; powdered milk; protein milk; powdered soya milk; sheep milk; sesame milk; soya-based beverages used as milk substitutes; yoghurt based on milk substitutes; fruit-flavoured yogurts; yogurt beverages; yogurt drinks; flavoured yogurts.

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
16.		Farm Fresh	TM2020030802	Malaysia	21 December 2030	29: Milk; oat milk; goat milk; rice milk; soured milk; soya milk; cow's milk; almond milk; milk beverages flavored with coffee, cocoa, chocolate or tea; uht milk; bases for making milk shakes; beverages based on fermented milk substitutes; beverages consisting primarily of milk; desserts made from milk products; eggs, milk and milk products; half and half (milk and cream mixture); hemp milk used as a milk substitute; lactose-free milk; milk beverages flavored with chocolate; milk curd; milk, cheese, butter, yogurt and other milk products; beverages made from yogurt; milk-based beverages containing fruits; milk-based beverages flavored with vanilla; non-fat milk; powdered milk; protein milk; powdered soya milk; sheep milk; sesame milk; soya-based beverages used as milk substitutes; yoghurt based on milk substitutes; fruit-flavoured yogurts; yogurt beverages; yogurt drinks; flavoured yogurts.

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
17.		Farm Fresh	TM2020030803	Malaysia	21 December 2030	29: Milk; oat milk; goat milk; rice milk; soured milk; soya milk; cow's milk; almond milk; milk beverages flavored with coffee, cocoa, chocolate or tea; uht milk; bases for making milk shakes; beverages based on fermented milk substitutes; beverages consisting primarily of milk; desserts made from milk products; eggs, milk and milk products; half and half (milk and cream mixture); hemp milk used as a milk substitute; lactose-free milk; milk beverages flavored with chocolate; milk curd; milk, cheese, butter, yogurt and other milk products; beverages made from yogurt; milk-based beverages containing fruits; milk-based beverages flavored with vanilla; non-fat milk; powdered milk; protein milk; powdered soya milk; sheep milk; sesame milk; soya-based beverages used as milk substitutes; yoghurt based on milk substitutes; fruit-flavoured yogurts; yogurt beverages; yogurt drinks; flavoured yogurts.

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
18.		Farm Fresh	TM2020030804	Malaysia	21 December 2030	29: Milk; oat milk; goat milk; rice milk; soured milk; soya milk; cow's milk; almond milk; milk beverages flavored with coffee, cocoa, chocolate or tea; uht milk; bases for making milk shakes; beverages based on fermented milk substitutes; beverages consisting primarily of milk; desserts made from milk products; eggs, milk and milk products; half and half (milk and cream mixture); hemp milk used as a milk substitute; lactose-free milk; milk beverages flavored with chocolate; milk curd; milk, cheese, butter, yogurt and other milk products; beverages made from yogurt; milk-based beverages containing fruits; milk-based beverages flavored with vanilla; non-fat milk; powdered milk; protein milk; powdered soya milk; sheep milk; sesame milk; soya-based beverages used as milk substitutes; yoghurt based on milk substitutes; fruit-flavoured yogurts; yogurt beverages; yogurt drinks; flavoured yogurts.

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
19.	Farm Fresh Naturally tasty ALMOND MILK	Farm Fresh	TM2020030805	Malaysia	21 December 2030	29: Milk; oat milk; goat milk; rice milk; sour milk; soya milk; cows' milk; almond milk; milk beverages flavored with coffee, cocoa, chocolate or tea; uht milk; bases for making milk shakes; beverages based on fermented milk substitutes; beverages consisting primarily of milk; desserts made from milk products; eggs, milk and milk products; half and half (milk and cream mixture); hemp milk used as a milk substitute; lactose-free milk; milk beverages flavored with chocolate; milk curb; milk, cheese, butter, yogurt and other milk products; beverages, made from yogurt; milk-based beverages containing fruits; milk-based beverages flavored with vanilla; non-fat milk; powdered milk; protein milk; powdered soya milk; sheep milk; sesame milk; soya-based beverages used as milk substitutes; yoghurt based on milk substitutes; fruit-flavoured yogurts; yogurt beverages; yogurt drinks; flavoured yogurts.

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
20.	Farm Fresh PROBIOTIQ	Farm Fresh	TM2020031029	Malaysia	21 December 2030	29: Milk; oat milk; goat milk; rice milk; sour milk; soya milk; cows' milk; almond milk; milk beverages flavored with coffee, cocoa, chocolate or tea; uht milk; bases for making milk shakes; beverages based on fermented milk substitutes; beverages consisting primarily of milk; desserts made from milk products; eggs, milk and milk products; half and half (milk and cream mixture); hemp milk used as a milk substitute; lactose-free milk; milk beverages flavored with chocolate; milk curb; milk, cheese, butter, yogurt and other milk products; beverages, made from yogurt; milk-based beverages containing fruits; milk-based beverages flavored with vanilla; non-fat milk; powdered milk; protein milk; powdered soya milk; sheep milk; sesame milk; soya-based beverages used as milk substitutes; yoghurt based on milk substitutes; fruit-flavoured yogurts; yogurt beverages; yogurt drinks; flavoured yogurts.

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
21.		Farm Fresh	TM2021030463 (Pending)	Malaysia	N/A	Class 29 Milk; goat milk; oat milk; rice milk; soured milk; soya milk; cow's milk; almond milk; milk beverages flavoured with coffee, cocoa, chocolate or tea; uht milk; bases for making milk shakes; beverages based on fermented milk substitutes; beverages consisting primarily of milk; desserts made from milk products; milk and milk products; half and half (milk and cream mixture); hemp milk used as a milk substitute; lactose-free milk; milk beverages flavoured with chocolate; milk curd; milk, cheese, butter, yogurt and other milk products; beverages made from yogurt; milk-based beverages containing fruits; milk-based beverages flavoured with vanilla; non-fat milk; powdered milk; protein milk; powdered soya milk; soya milk being milk substitute; sheep milk; sesame milk; yoghurt based on milk substitutes; fruit-flavoured yogurts; yogurt beverages; yogurt drinks; flavoured yogurts.

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
22.	PISHANG	Farm Fresh	TM2021028723 (Pending)	Malaysia	N/A	Class 29 Meat, fish, poultry and game, meat extracts, preserved, frozen, dried and cooked fruits and vegetables, jellies, jams, compotes, eggs, milk, cheese, butter, yoghurt and other milk products, oil and fats for food. Class 32 Beers, non alcoholic beverages, mineral and aerated waters, fruit beverages and fruit juices, syrups and other non alcoholic preparations for making beverages.
23.	Farm Fresh CREAM HAUZ	Farm Fresh	TM2021035604 (Pending)	Malaysia	N/A	Class 30 Dairy ice cream; non-dairy ice cream; fruit ice cream; ice cream; fruit ice cream bars; ice cream bars; ice cream cakes; ice cream desserts; ice cream mixes; ice cream substitutes; ice cream sundaes; ice cream wafers.

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
24.	Farm Fresh JOMchá	Farm Fresh	TM2021035605 (Pending)	Malaysia	N/A	Class 29 Cow's milk; goat milk; milk; oat milk; rice milk; soured milk; almond milk; uht milk; milk beverages flavored with coffee, cocoa, chocolate or tea; bases for making milk shakes; beverages based on fermented milk substitutes; beverage consisting primarily of milk; desserts made from milk products; milk and milk products; half and half milk (milk and cream mixture); hemp milk used as a milk substitute; lactose-free milk; milk beverages flavored with chocolate; milk, cheese, butter, yogurt and other milk product; milk cured; beverages made from yogurt; milk-based beverages containing fruits; milk-based beverages flavored with vanilla; non-fat milk; powdered milk; protein milk; powdered soya milk; sheep milk; sesame milk; soya-based beverages used as milk substitutes; yoghurt based on milk substitutes; fruit-flavoured yogurts; yogurt beverages; yogurt drinks; flavoured yogurts.
25.	Mawar	FFMSB	TM2019018129	Malaysia	20 May 2029	29: Milk; oat milk; goat milk; rice milk; sour milk; soya milk; cows' milk; dried milk; milk cream; milk curds; sheep milk; whole milk; milk products; sour milk products; by-products of milk; dried milk products; curdled milk products; low fat milk products; half-fat milk products; milk and milk products; products based on milk; milk proteins

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
						(milk products); whey proteins (milk products); milk based products, milk predominating; products made wholly or principally of milk; edible jellies made from milk and vegetable products; milk, cheese, butter, yoghurt and other milk products; goat milk; goat cheese; goat's milk; powdered goat milk; cheese made from goats milk; yoghurt made from goats milk; sheep milk; sheep cheese; cows' milk; cheese; blue cheese; cheese dips; curd cheese; goat cheese; hard cheese; soft cheese; cream cheese; fresh cheese; sheep cheese; white cheese; cheese fondue; cheese powder; cheese sticks; yogurt; yogurt drinks; drinking yogurts; yogurt for drinking; drinks based on yogurt; yogurt-based beverages_; beverages made from yogurt; beverages made with yogurt; butter; butter oil; buttermilk; buttercream; apple butter; cocoa butter; honey butter; lemon butter; seed butters; almond butter; caviar butter; garlic butter; peanut butter; all included in class 29.
26.		FFMSB	2017056506 (Pending)	Malaysia	N/A	29: Meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, compotes; eggs, milk and milk products; edible oils and fats; all included in class 29.

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
27.	yarra farm	FFMSB	2017056507 (Pending)	Malaysia	N/A	29: Meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, compotes; eggs, milk and milk products; edible oils and fats; all included in class 29.
28.	SUSU SEGAR Kurma served with Fresh Milk	FFMSB	2017057661 (Pending)	Malaysia	N/A	29: Milk and milk products; all included in class 29.
29.	Desaru Cheese FARMER OWNED	FFMSB	2017075684 (Pending)	Malaysia	N/A	29: Meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, compotes; eggs, milk and milk products; edible oils and fats; all included in class 29.

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
30.	MASTER BARISTA	FFMSB	2017075685 (Pending)	Malaysia	N/A	29: Meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, compotes; eggs, milk and milk products; edible oils and fats; all included in class 29.

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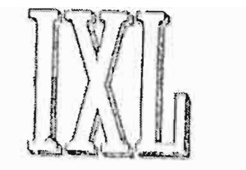
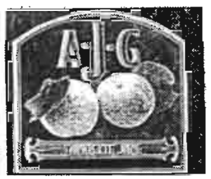
ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

Australia

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
1.	AJC	Henry Jones Foods Pty Ltd	195269	Australia	21 January 2027	Class 30: Coffee, tea, cocoa, sugar, rice, tapioca, sago, coffee substitutes; flour and preparations made from cereals; bread, biscuits, cakes, pastry and confectionery, ices, honey, treacle; yeast, baking-powder; salt, mustard, pepper, vinegar, sauces, spices, ice.
2.	AJC	Henry Jones Foods Pty Ltd	195270	Australia	21 January 2027	Class 31: Fresh fruits and vegetables, foodstuffs for animals, malt.
3.	AJC	Henry Jones Foods Pty Ltd	195271	Australia	21 January 2027	Class 32: Syrups and other preparations for making beverages.
4.	AJC	Henry Jones Foods Pty Ltd	195272	Australia	21 January 2027	Class 5: Infants' and invalids' foods.

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
5.		Henry Jones Foods Pty Ltd	244942	Australia	15 October 2028	Class 30: Sauce and other fruit and vegetable products included in this class.
6.		Henry Jones Foods Pty Ltd	249281	Australia	25 January 2029	Class 30: Sauces condiments, honey, confectionery and biscuits.
7.	IXL	Henry Jones Foods Pty Ltd	318346	Australia	18 May 2029	Class 29: Frozen food products included in Class 29.
8.	IXL	Henry Jones Foods Pty Ltd	416983	Australia	19 October 2025	Class 29: All goods in Class 29 including margarine, oils and fats.
9.		Henry Jones Foods Pty Ltd	548651	Australia	11 January 2028	Class 29: All goods in class 29 including but not limited to jams and preserves.
10.	TAYLORS	Henry Jones Foods Pty Ltd	642669	Australia	7 October 2024	Class 29: Crushed garlic, minced garlic, crushed ginger, crushed chilli, mint jelly. Class 30: Marinades, seafood sauces, tartare sauces, simmer sauces, mayonnaise, coleslaw dressing.

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
11.	LACKERSTEEN LACKERSTEENS LACKERSTEEN'S	Henry Jones Foods Pty Ltd	744027	Australia	16 September 2027	Class 29: Marmalade, jams, preserves, jellies.
12.	MARINADER	Henry Jones Foods Pty Ltd	760588	Australia	24 April 2028	Class 20: Packaging containers (not of metal).
13.	Taylor's Good food made better.	Henry Jones Foods Pty Ltd	760590	Australia	24 April 2028	Class 29: Crushed garlic, minced garlic, crushed ginger, crushed chilli, mint jelly. Class 30: Marinades, seafood sauces, tartare sauces, simmer sauces, mayonnaise, coleslaw dressing.
14.	IXL	Henry Jones Foods Pty Ltd	771607	Australia	28 August 2028	Class 29: Fruit based snack foods, fruit bars. Class 30: Flour and preparations made from cereals, bread, pastry, cakes, biscuits, and confectionery; snack foods in this class; sauces in this class.
15.	IXL	Henry Jones Foods Pty Ltd	781227	Australia	11 December 2028	Class 29: Prepared meals in this class; snack foods in this class; preserved, dried and cooked vegetables; edible oils and fats; salad dressings; preserves. Class 30: Coffee, artificial coffee and tea, cocoa, foods made from cereals and grains including rice and flour; bread, pastry and snack foods in this

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
						class; confectionery including frozen confectionery and frozen yogurts; condiments, spices; cooking products including salt, baking powder, mustard, vinegar, yeast; sauces. Class 31: Fresh fruits and vegetables; grains in this class; malt. Class 32: Non-alcoholic beverages including fruit drinks and fruit juices; preparations and syrups for making beverages.
16.	IXL Spreadables	Henry Jones Foods Pty Ltd	1121844	Australia	3 July 2026	Class 30: Condiments and condiment sauces, flavourings in this class, relish, sauces, seasonings, spices; sandwich spreads in this class.
17.	IXL ALL ABOUT THE FRUIT	Henry Jones Foods Pty Ltd	1234291	Australia	9 April 2028	Class 29: Fruit jams; jams; sweet spreads (jams).
18.	Taylor's	Henry Jones Foods Pty Ltd	1285990	Australia	19 February 2029	Class 30: Marinades, seafood sauces, tartare sauces, simmer sauces, mayonnaise, coleslaw dressing.

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
19.	IXL EXCELLENCE SINCE 1891	Henry Jones Foods Pty Ltd	1337770	Australia	21 December 2029	Class 29: Jams, preserves, jellies, sweet spreads, canned fruits, dried fruits, preserved, dried and cooked vegetables, pickles, fruit based snack foods, fruit bars.
20.	IXL Superfruits	Henry Jones Foods Pty Ltd	1489546	Australia	8 May 2022	Class 29: Fruit jams; jams; low sugar jams; setting agents for jams; sweet spreads (jams); fruit spread; spreadable fruit.
21.	Taylor's THE PROVIDORE'S CHOICE	Henry Jones Foods Pty Ltd	1508158	Australia	14 August 2022	Class 30: Mustard; vinegar, sauces (condiments); spices.
22.	H. JONES & C°	Henry Jones Foods Pty Ltd	1533752	Australia	2 January 2023	Class 29: Compotes; Fruit jellies; Jellies; Fruit jams; Jams; Sweet spreads (jams). Class 30: Sauces (condiments); Honey; Sweet spreads (honey); Treacle.
23.	HENRY JONES &Co	Henry Jones Foods Pty Ltd	1555143	Australia	3 May 2023	Class 29: Fruit jams; Jams; Sweet spreads (jams); Compotes; Fruit jellies; Jellies; Marmalade jellies. Class 30: Condiments; Treacle; Honey; Honeys; Sweet spreads (honey).

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
24.	IXL	Henry Jones Foods Pty Ltd	1842853	Australia	5 May 2027	Class 29: Jams, preserves, jellies, sweet spreads, canned fruits, dried fruits, preserved, dried and cooked vegetables, pickles, fruit based snack foods, fruit bars. Class 30: Condiments; Sauces (condiments); Honey; Honeys; Sweet spreads (honey); Treacle; Chocolate fudge; Chocolate sauce; Chocolate spreads for use on bread; Fruit coulis (sauces).
25.	A.J.C	Henry Jones Foods Pty Ltd	7091	Australia	21 January 2027	Class 29: Meat, fish, poultry and game; meat extracts, preserved, dried and cooked fruits and vegetables; jellies, jams, eggs, milk and other dairy products; edible oils and fats; preserves, pickles.
26.		Henry Jones Foods Pty Ltd	17887	Australia	25 January 2029	Class 29: Jams, preserved fruits, dried fruits, pickles, butter.
27.	IXL	Henry Jones Foods Pty Ltd	17509	Australia	15 October 2028	Class 29: Jams, preserves, desert fruits, evaporated fruits, pickles and other fruit and vegetable products included in this class.
28.	I.X.L.	Henry Jones Foods Pty Ltd	176386	Australia	01 October 2027	Class 29: Preserved, dried and cooked fruits and vegetables.

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

Singapore

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
1.		FFMSB	40201909279R	Singapore	29 April 2029	29: Milk; oat milk; goat milk; rice milk; sour milk; soya milk; cows' milk; dried milk; milk cream; milk curds; sheep milk; whole milk; milk products; sour milk products; by-products of milk; dried milk products; curdled milk products; low fat milk products; half-fat milk products; milk and milk products; products based on milk; milk proteins (milk products); whey proteins (milk products); milk based products, milk predominating; products made wholly or principally of milk; edible jellies made from milk and vegetable products; milk, cheese, butter, yoghurt and other milk products; goat milk; goat cheese; goat's milk; powdered goat milk; cheese made from goats milk; yoghurt made from goats milk; sheep milk; sheep cheese; cows' milk; cheese; blue cheese; cheese dips; curd cheese; goat cheese; hard cheese; soft cheese; cream cheese; fresh cheese; sheep cheese; white cheese; cheese fondue; cheese powder; cheese sticks; yogurt; yogurt drinks; drinking yogurts; yogurt for drinking; drinks based on yogurt; yogurt-based beverages; beverages made from yogurt; beverages made with yogurt; butter; butter oil; buttermilk; buttercream; apple butter; cocoa butter; honey butter; lemon butter; seed butters; almond butter; caviar butter; garlic butter; peanut butter.

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

Indonesia

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
1.		FFMSB	DID2019062335	Indonesia	18 October 2029	29: Cheese, milk; soy milk; milk as the main component; milk substitutes; protein milk; yogurt; butter; kumys (milk beverage); milk products.

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FARM FRESH BERHAD ("FFB")
EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

1. NAME OF SCHEME

This ESOS will be called the "FFB's Employees' Share Option Scheme".

2. DEFINITIONS AND INTERPRETATION

In these By-Laws, the following words and expressions shall bear the following meanings, unless the context otherwise requires:

"**Act**"	means the Companies Act, 2016, as amended from time to time and any re-enactment thereof.
"**Adviser**"	has the meaning ascribed to it in the Listing Requirements.
"**Auditor**"	mean any approved company auditor as defined under Section 2(1) of the Act.
"**Authorised Nominee**"	means a person who is eligible to act as a nominee as specified in accordance with the schedule prescribed under Part VIII of the Rules of Bursa Depository.
"**Available Balance**"	means the unissued Shares of the Company which is available for offer of Options subject to the maximum limit as set out in **By-Law 4.2** and after deducting all Shares under Options which have been granted.
"**Board**"	means the board of directors of the Company for the time being.
"**Bursa Depository**"	means Bursa Malaysia Depository Sdn Bhd.
"**Bursa Securities**"	means Bursa Malaysia Securities Berhad.
"**By-Laws**"	means the terms and conditions of the ESOS as set forth in these By-Laws as amended, modified and/or supplemented from time to time.
"**CDS**"	Central Depository System.
"**CDS Account**"	means the account established by Bursa Depository for a Depositor for the recording of deposits and withdrawal of securities and dealings in such securities by the Depositors.
"**Central Depositories Act**"	means the Securities Industry (Central Depositories) Act 1991, as amended from time to time and any re-enactment thereof.
"**Company**"	means Farm Fresh Berhad (Registration No.: 201001010221 (894851-U)), a public company limited by shares and incorporated in Malaysia.
"**Constitution**"	means the constitution of the Company.
"**Court**"	the High Court of Malaysia.
"**Date of Expiry**"	means the last day of the duration of the ESOS or any extended period pursuant to **By-Law 3**.
"**Date of Offer**"	means the date on which an Offer is made by the ESOS Committee to an Eligible Person from time to time during the Option Period to participate in the ESOS.
"**Depositor**"	means a holder of a CDS Account.

"**Director(s)**"	means a natural person who holds a directorship in FFB and shall have the meaning ascribed to it in the Listing Requirements.
"**Effective Date**"	means the date the last of the approvals and/or conditions referred to in **By-Law 3.1** have been obtained and/or complied with.
"**Eligible Person(s)**"	means an Executive Director and/or Employee of a Group Company who fulfils the conditions as set out in **By-Law 6**, for eligibility to participate in the ESOS.
"**Employee(s)**"	means a natural person who is employed by and is on the payroll of any company in the FFB Group.
"**Entitlement Date**"	means the date as at the close of business on which the names of the shareholders of FFB must appear on FFB's record of depositors in order to be entitled to participate in any dividends, rights, allotments or other forms of distribution.
"**ESOS Committee**"	means the committee appointed from time to time by the Board pursuant to **By-Law 17** to administer the ESOS.
"**Executive Director(s)**"	means a natural person who holds a directorship in an executive capacity in FFB Group on the Date of Offer and is involved in the day-to-day management of any company within the FFB Group and excluding non-executive and alternate directors in the Company or any company within the FFB Group.
"**Exercise Period**"	means the specific period or periods within an Option Period during which Options may be exercised by Grantees, as determined by the ESOS Committee subject to **By-Law 3**.
"**Exercise Price**"	means the price at which the Grantee shall be entitled to subscribe for every new FFB Share by exercising his Option as determined in accordance with **By-Law 9**.
"**Grantee(s)**"	any Eligible Person who has accepted the Offer by the Company in accordance with the provisions of **By-Law 8**.
"**Good Leaver**"	means a Grantee who has ceased or terminated his/her employment with the relevant Group Company due to: (i) retirement on or after attaining the normal retirement age; or (ii) retirement before attaining the normal retirement age but with the consent of the relevant employer company within the FFB Group; or (iii) transfer to any company outside the FFB Group at the direction of the Company subject to the approval and/or ratification by the Board; or (iv) retrenchment; or (v) ill-health, injury, physical or mental disability; or (vi) any separation scheme implemented by the Company; or (vii) any Director not being re-appointed during a general meeting of the Company; or (viii) any other circumstances which are acceptable to the ESOS Committee subject to the approval and/or ratification by the Board.

"**Group**"	means, collectively, the Company and its Subsidiaries (excluding dormant Subsidiaries) and "Group Company" shall mean any one of them.
"**Listing Requirements**"	means the Main Market Listing Requirements of Bursa Securities, as amended from time to time.
"**Market Day(s)**"	means any day between Monday and Friday (both days inclusive) which is not a public holiday, and on which Bursa Securities is open for the trading of securities.
"**Maximum Allowable Allocation**"	means the maximum number of new Shares that can be offered and allotted to an Eligible Person to be determined by the ESOS Committee in accordance with the provisions of **By-Law 7**.
"**Maximum Limit**"	means the maximum number of new FFB Shares which may be issued and allotted pursuant to the ESOS, which shall not exceed five percent (5%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the duration of the ESOS.
"**Offer**"	means an offer made in writing by the ESOS Committee to an Eligible Person in the manner indicated in **By-Law 5**.
"**Option(s)**"	means the right of a Grantee to subscribe for new FFB Share(s) at the Exercise Price pursuant to the contract constituted by the selected Eligible Person's acceptance of an Offer in the manner indicated in **By-Law 8**.
"**Option Period**"	means a period commencing from the date an Offer is accepted in accordance with **By-Law 8** and expiring on the last day of the period referred to in **By-Law 3** or such other date which the ESOS Committee may in its discretion decide, subject always to any further extension of period or early termination in accordance with the provisions of **By-Law 3**, provided that no Option Period shall extend beyond the period referred to in **By-Law 3**.
"**Poor Leaver**"	means a Grantee who is not deemed as a Good Leaver pursuant to these By-Laws and has ceased or terminated his/her employment with the relevant Group Company by way of: (i) voluntary resignation; or (ii) misconduct; or (iii) non-performance; or (iv) any other circumstances which are acceptable to the ESOS Committee subject to the approval and/or ratification by the Board.
"**RM and sen**"	Ringgit Malaysia and sen, respectively.
"**Rules of Bursa Depository**"	means the rules of Bursa Depository, as issued pursuant to the Central Depositories Act.
"**Senior Management**"	means an Employee of FFB Group who falls within such grading as determined by the ESOS Committee at its sole and absolute discretion from time to time.
"**Shares**" or "**FFB Shares**"	means ordinary shares in the share capital of the Company.
"**Subsidiaries**"	has the meaning defined in Section 4 of the Act.

"**Terms of Reference**"	means the terms of reference which the Board may establish to regulate and govern the ESOS Committee's functions and/or responsibilities under these By-Laws, as may be amended from time to time.
"**Trust Deed**"	means the trust deed(s) constituting the Trust to be executed between the Trustee and the Company.
"**Trust**"	the trust to be established to facilitate the implementation of the ESOS.
"**Trustee**"	means the trustee(s) who may be appointed by FFB for the administration of the Trust from time to time.
"**Vesting Conditions**"	means the conditions which are required to be fulfilled by an Eligible Person before the Option(s) is/are capable of being vested onto the Eligible Person, to be communicated in an Offer pursuant to **By-Law 5.3(vii)**.
"**VWAMP**"	means volume weighted average market price.

In these By-Laws, unless the context otherwise requires:

(i) words importing the singular number include the plural and vice versa and words importing the masculine, feminine or neuter gender shall include all genders;

(ii) the headings and sub-headings herein are inserted for convenience only and shall not affect the interpretation of these By-Laws;

(iii) any reference to a statute, statutory provisions, guidelines, regulations or rules includes a reference to that statute, statutory provision (and all statutory instruments or orders made pursuant to it), guidelines, regulations and rules, as from time to time amended, extended, re-enacted or consolidated;

(iv) any liberty, power or discretion which may be exercised or any decision or determination which may be made under these by-Laws by the ESOS Committee (including any selection) may be exercised by the ESOS Committee having regard only to the Terms of Reference (where applicable) but subject to the Board's power to overrule any decision of the ESOS Committee. The ESOS Committee shall not be under any obligation to give any reason therefore, except as may be required by relevant authorities;

(v) if an event is to occur on a stipulated day which is not a Market Day, then the stipulated day shall be taken to be the first Market Day after that day; and if an event is to occur on a stipulated day which falls after the expiry of the ESOS then the stipulated day shall be taken to be the last Market Day of the ESOS Period; and

(vi) in the event of any change in the name of the Company from its present name, all references to "Farm Fresh Berhad" in these By-Laws and all other documents pertaining to the ESOS shall be deemed to be references to the Company's new name.

3. DURATION, EXTENSION AND TERMINATION OF THE SCHEME

3.1 The ESOS shall take effect from the Effective Date, which shall be the date of full compliance on which the last of the following approvals and/or conditions have been obtained and/or complied with:

(i) submission to Bursa Securities of the final copy of these By-Laws together with a letter of compliance pursuant to paragraph 6.42 of the Listing Requirements and a checklist showing compliance with Appendix 6E of the Listing Requirements;

(ii) approval or approval-in-principle, as the case may be, from Bursa Securities for the listing of and quotation for the new FFB Shares to be issued under the ESOS;

(iii) shareholders' approval for the ESOS at a general meeting;

(iv) approval of any other relevant authorities for the ESOS, if applicable; and

(v) fulfilment of all conditions attached to the above approvals, if any.

3.2 The Company shall through its Adviser submit no later than five (5) Market Days after the Effective Date, a confirmation letter to Bursa Securities of the full compliance of **By-Law 3.1** stating the Effective Date of the ESOS, together with a certified true copy of the relevant resolutions passed by the shareholders of the Company in the general meeting approving the ESOS.

3.3 The ESOS shall be in force for a period of ten (10) years commencing from the Effective Date ("**ESOS Period**") PROVIDED ALWAYS THAT on or before the expiry thereof where the maximum duration of a share issuance scheme allowed by the relevant authorities is more than ten (10) years, the Board shall have the sole and absolute discretion upon recommendation of the ESOS Committee, without the Company's shareholders' approval in a general meeting being required, to extend in writing the tenure of the ESOS for another five (5) years or such shorter period as it deems fit immediately from the expiry of the first ten (10) years, PROVIDED ALWAYS THAT the ESOS shall not in aggregate exceed the maximum duration of a share issuance scheme allowed by the relevant authorities. Such renewed ESOS shall be implemented in accordance with the terms of these By-Laws set out herein, save for any amendments and/or changes to the relevant statutes and/or regulations currently in force. Unless otherwise required by the relevant authorities, no further approvals shall be required for the extension of the ESOS provided that the Company shall serve appropriate notices to each Grantee and make any announcements to Bursa Securities (if required) within thirty (30) days prior to the expiry of the original ESOS.

3.4 Offers can only be made during the duration of the ESOS before the Date of Expiry, which date shall be at the end of the ten (10) years from the Effective Date, or if the ESOS shall be extended, at the end of such extended term.

3.5 Notwithstanding anything to the contrary, all unexercised Options shall lapse after 5.00 p.m. on the Date of Expiry.

3.6 Notwithstanding the provision of **By-Law 3.3** and subject to compliance with the requirements of Bursa Securities and any other relevant regulatory authorities, the ESOS may be terminated by the Company at its sole and absolute discretion without obtaining the approvals or consents from the Grantees and/or the shareholders, by way of a board resolution upon the recommendation of the ESOS Committee at any time during the continuance of the ESOS whereupon such termination, (i) no further Offers shall be made by the ESOS Committee; (ii) all outstanding Options unexercised shall be automatically terminated; and (iii) all Offers made but not yet accepted by the Eligible Persons shall automatically lapse.

3.7 The Company shall immediately upon the termination of the ESOS before the Date of Expiry announce to Bursa Securities:

(i) the effective date of termination;

(ii) the number of options exercised or shares vested; and

(iii) the reasons for termination.

3.8 Subject to the relevant approvals being obtained, the Company may implement a new employees' share option scheme after the expiration or termination of the ESOS pursuant to **By-Law 3.6**.

4. MAXIMUM NUMBER OF NEW FFB SHARES AVAILABLE UNDER THE SCHEME

4.1 Each Option shall be exercisable into one (1) new FFB Share, in accordance with the provisions of these By-Laws.

4.2 The total number of new FFB Shares which may be made available under the ESOS shall not exceed in aggregate five percent (5%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any one time during the duration of the ESOS as provided in **By-Law 3.3**.

4.3 Notwithstanding the provision of **By-Law 4.2** or any other provisions contained herein, in the event the maximum number of new FFB Shares comprised in the Options granted under the ESOS exceeds the aggregate of five percent (5%) of the number of issued shares (excluding treasury shares, if any) of FFB as a result of FFB purchasing its own Shares pursuant to Section 127 of the Act or FFB undertaking any other corporate proposal and thereby diminishing its number of issued shares, no further Options shall be offered until the total number of new FFB Shares to be issued under the ESOS falls below five percent (5%) of the Company's total number of issued shares (excluding treasury shares, if any). Any Options granted prior to the adjustment of the number of issued shares of FFB shall remain valid and exercisable in accordance with the provisions of these By-Laws.

5. OFFER

5.1 The ESOS Committee may, at any time during the duration of the ESOS as defined in **By-Law 3**, make Offers in writing to any Eligible Person selected by the ESOS Committee which selection shall be at the sole and absolute discretion of the ESOS Committee.

5.2 The actual number of new FFB Shares which may be offered to an Eligible Person shall be at the sole and absolute discretion of the ESOS Committee and, subject to the Maximum Allowable Allotment as set out in **By-Law 7** and any adjustments that may be made under **By-Law 14** hereof, shall not be less than one hundred (100) FFB Shares and shall always be in multiples of one hundred (100) FFB Shares.

5.3 The ESOS Committee shall state the following particulars in the letter of Offer:

(i) the number of Options that are being offered to the Eligible Person;

(ii) the number of FFB Shares which the Eligible Person shall be entitled to subscribe for upon the exercise of the Options being offered;

(iii) the Option Period;

(iv) the Exercise Period;

(v) the Exercise Price;

(vi) the Offer Period as defined in **By-Law 8.1**;

(vii) the conditions which are required to be fulfilled by an Eligible Person prior to such Option becoming vested onto the Eligible Person including but not limited to service and/or performance criteria and number of Options exercisable for each year of continued service as set out in **By-Law 10.1** ("**Vesting Conditions**"); and

(viii) any other information deemed necessary by the ESOS Committee.

5.4 Any Offer made to any Director in an executive capacity, chief executive officer in FFB or persons connected with them shall require the prior approval of the shareholders of the Company in a general meeting and he/she shall not vote on the resolution approving the allocation and allotment to them and persons connected to them.

For the purpose of these By-Laws, "persons connected" with the Director in an executive capacity or chief executive officer in FFB shall have the same meaning given in relation to persons connected with a director or chief executive officer as defined in paragraph 1.01 of the Listing Requirements.

5.5 Without prejudice to **By-Law 17** hereof, in the event of an error or omission on the part of the Company or the ESOS Committee in stating any of the particulars referred to in **By-Law 5.3**, the Company or the ESOS Committee shall, within one (1) month after discovery of the error or omission, do all such things and acts to rectify such error or omission and if necessary, issue a supplemental letter of Offer, stating the correct particulars referred to in **By-Law 5.3**.

5.6 Subject to **By-Laws 4** and **7.3** hereof, nothing herein shall prevent the ESOS Committee from making more than one (1) Offer to any Eligible Person PROVIDED ALWAYS THAT the total aggregate Options offered to each Eligible Person (including Options already offered under previous Offers, if any) shall not exceed the Maximum Allowable Allocation of such Eligible Person at the time the subsequent Offer (if any) is made.

5.7 The ESOS Committee has the sole and absolute discretion not to make further additional Offers regardless of the amount of Available Balance.

5.8 The Offer shall automatically lapse and thereafter be rendered null and void in the event of the death of the Eligible Person or the Eligible Person ceasing to be employed by FFB Group for any reason whatsoever prior to the acceptance of the Offer by the Eligible Person in the manner set out in **By-Law 8**.

5.9 An Offer may be made upon such terms and conditions as the ESOS Committee may decide from time to time. Each Offer shall be made in writing and is personal to the Eligible Person and is non-assignable and non-transferable.

5.10 After each adjustment following an alteration of the Company's share capital as stipulated in **By-Laws 14.1** and **14.2** and the Company informing the Grantee of such adjustment pursuant to **By-Law 14.6**, upon the return by a Grantee of the original letter of Offer to the Company, that letter of Offer shall be amended or a new letter of Offer shall be issued within one (1) month from the date of return of the original letter, to reflect the adjustment made to the number of Options granted to the Grantee and/or the Exercise Price.

5.11 The Company shall keep and maintain at its expense, a register of Grantees and shall enter in that register the names and addresses of the Grantees, the Maximum Allowable Allocation, the number of Options offered, the number of Options exercised, the Date of Offer and the Exercise Price.

6. ELIGIBILITY

6.1 An Employee or Executive Director who as at the Date of Offer, fulfils the following conditions shall be eligible to participate in the ESOS:

(i) has attained eighteen (18) years of age;

(ii) is not an undischarged bankrupt nor subject to any bankruptcy proceedings;

(iii) must have been confirmed in service;

(iv) where the Employee or Executive Director is under an employment contract, the contract is for a duration of at least one (1) year and shall have not expired within three (3) months from the Date of Offer;

(v) remains an employee of the Group and has not given any notice of resignation or received a notice of termination or has otherwise ceased or had his/her employment terminated;

(vi) in the case of the Executive Director or employee of a corporation which is acquired by the Group during the ESOS Period and such corporation becomes a subsidiary of the Company upon completion of such acquisition, the Executive Director or employee must have completed a continuous period of employment of at least one (1) year in the Group from the date of confirmation of employment (which for the avoidance of doubt shall exclude any probation period), following the date that such corporation becomes or is deemed to be a subsidiary of the Company; and

(vii) where the Executive Director or Employee has attained the mandatory retirement age of sixty (60) years old, such Executive Director or employee shall have served for a continuous period of at least one (1) year in any corporation in the Group prior to attaining the said mandatory retirement age, and subsequently offered continued employment with such corporation for a minimum period of one (1) year and at the time of consideration for the Offer, he continues to be so employed;

(viii) in respect of all foreign Executive Directors and/or employees (i.e. persons who are not Malaysian citizens) where in the opinion of the ESOS Committee the contribution of such Executive Director and/or employee is vital to the Group, such Executive Director and/or employee shall be eligible to participate in the ESOS, subject to the provisions of the By-Laws, if the required approvals (if any) from the relevant authorities have been obtained by the Company or such Executive Director or employee (as the case may be), AND such Executive Director and/or employee is, on the Date of Offer, under a subsisting employment contract and has served for at least a period of one (1) year from the date of confirmation of employment (which for the avoidance of doubt shall exclude any probation period) prior to the Date of Offer; and

(ix) has fulfilled any other criteria as may be imposed by the ESOS Committee from time to time,

PROVIDED ALWAYS THAT the selection of any Eligible Person for participation in the ESOS shall be at the sole and absolute discretion of the ESOS Committee and the decision of the ESOS Committee shall be final, binding and conclusive. Notwithstanding the above, the ESOS Committee may, at its sole and absolute discretion, determine any other eligibility conditions or waive and vary any of the eligibility conditions set out above, for the purposes of selecting an Eligible Employee at any time and from time to time.

The eligibility does not confer on an Eligible Person, a claim or right to participate or a right to claim or any rights whatsoever in the ESOS unless the ESOS Committee has made an Offer to the Eligible Person, the Eligible Person has accepted the Offer, and the Eligible Person has fulfilled the Vesting Conditions, in accordance with the terms of the Offer and these By-Laws.

6.2 Subject to the provisions of **By-Law 24** hereof, no Eligible Person shall participate at any time in more than one (1) employees' share option scheme implemented by any company within the FFB Group during the duration of the ESOS.

6.3 Subject to **By-Law 4.2**, in the event that the ESOS Committee has determined that certain Eligible Persons are entitled to be offered additional Options and the Available Balance is insufficient to grant their full additional entitlements, the Available Balance may be distributed on such basis as the ESOS Committee may determine.

7. BASIS OF ALLOCATION AND MAXIMUM ALLOWABLE ALLOTMENT

7.1 Subject to any adjustments as may be made under these By-Laws, the aggregate number of new FFB Shares that may be offered and allotted under the ESOS to any Eligible Person shall be determined by the ESOS Committee at its sole and absolute discretion, after taking into consideration, amongst others, the Eligible Person's position, ranking, performance, contribution, seniority, length of service, fulfilment of the eligibility criteria as referred to in **By-Law 6** or such other matters which the ESOS Committee may in its sole and absolute discretion deem fit, subject to, amongst others, the following:

(i) the aggregate number of new FFB Shares to be issued pursuant to the exercise of the Options granted under the ESOS shall not exceed the Maximum Limit and the ESOS Committee shall not be obliged in any way to offer an Eligible Person the Options for all the specified maximum number of Shares the Eligible Person is entitled to under the ESOS;

(ii) any Offer, allocation of Options under the ESOS and the related allotment of Shares to any Executive Directors or the chief executive officer of the Company and any person connected with them, shall require prior approval of the shareholders of the Company in a general meeting. The Executive Directors or chief executive officer of the Company and persons connected with them shall not vote on the resolution approving the said Offer, allocation and allotment;

(iii) the Executive Directors and Senior Management shall not be allowed to participate in the deliberation or discussion of their respective allocation of Options and/or allocations of Options to persons connected with them under the ESOS;

(iv) not more than ten percent (10%) of the Shares available under the ESOS shall be allocated to any Eligible Person, who, either singly or collectively through persons connected with the Eligible Person, holds twenty percent (20%) (or such other percentage as the relevant authorities may permit) or more of the number of issued shares (excluding treasury shares, if any) of the Company;

(vi) any performance target to be achieved before the Options can be granted and/or exercised by an Eligible Person shall be determined by the ESOS Committee.

For the avoidance of doubt, the ESOS Committee shall have sole and absolute discretion in determining whether the granting of the Options to the Eligible Persons will be based on staggered granting over the duration of the ESOS or in one (1) single grant. The ESOS Committee shall also have sole and absolute discretion in determining whether the Options granted are subject to any vesting period and if so the vesting conditions and whether such vesting conditions are subject to any performance targets.

For the purpose of these By-Laws, "persons connected" with the Eligible Person shall have the same meaning given in relation to persons connected with a director or major shareholder as defined in paragraph 1.01 of the Listing Requirements.

7.2 The allocation of Options pursuant to the ESOS shall be verified by the Audit Committee of the Company, as being in compliance with the criteria set out in these By-Laws (where relevant) at the end of each financial year of the Company.

7.3 A Grantee who is promoted during the duration of the ESOS may be eligible for consideration of new additional Shares under the ESOS at the sole and absolute discretion of the ESOS Committee up to the Maximum Allowable Allocation to be determined by the ESOS Committee for the category to which he/she has been promoted to. A Grantee who is demoted to a lower employment category for whatever reason shall only be entitled to the allocation of that lower category unless an Offer has been made and accepted by him/her before such demotion.

7.4 An Employee or Executive Director who during the duration of the ESOS becomes an Eligible Person may be eligible to participate in the ESOS, the number of new Shares of which is to be decided by the ESOS Committee at its sole and absolute discretion subject to any Maximum Allowable Allocation for the category to be determined by the ESOS Committee. Any Eligible Person holding more than one (1) position in the Group and thereby falling within more than one (1) category of Employees in the Group shall only be entitled to the Maximum Allowable Allocation of the higher category.

8. ACCEPTANCE OF THE OFFER

8.1 An Offer shall be valid for a period of thirty (30) calendar days from the Date of Offer or such longer period as the ESOS Committee at its sole and absolute discretion, determines on a case-to-case basis ("**Offer Period**"). Acceptance of the Offer by an Eligible Person shall be made by way of a written notice from the Eligible Person to the ESOS Committee in the form prescribed by the ESOS Committee and accompanied by the payment of Ringgit Malaysia One (RM1.00) only as non-refundable consideration for the acceptance of each Offer (regardless of the number of Shares comprised therein).

8.2 In the event that the Eligible Person fails to accept the Offer or pay the acceptance consideration as set out in **By-Law 8.1** within the Offer Period and in the manner aforesaid, the Offer shall be deemed to have lapsed. The Options comprised in such Offer may, at the discretion of the ESOS Committee, be re-offered to other Eligible Persons.

9. EXERCISE PRICE

Subject to any adjustments made under these By-Laws and pursuant to the Listing Requirements, the Exercise Price shall be:

(i) in respect of any Offer which is made in conjunction with the listing of the Company, the Final Retail Price;

(ii) in respect of any Offer which is made subsequent to the listing of the Company, as determined by the ESOS Committee and shall be based on the five (5)-day VWAMP of FFB Shares immediately preceding the Date of Offer, with a discount, if any, PROVIDED ALWAYS THAT such discount is not more than ten per cent (10%), if deemed appropriate, or such other percentage of discount as may be permitted by any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time during the Option Period.

For the purposes of **By-Law 9(i)** above, "Final Retail Price" shall refer to the final price paid by investors for the Shares issued by the Company under its retail offering pursuant to its initial public offering, as determined in the manner described in the Company's prospectus for the said initial public offering.

The Exercise Price as determined in the manner set out above shall be conclusive and binding on the Grantee.

10. EXERCISE OF OPTIONS

10.1 Subject to **By-Law 10.6** and the terms and conditions of an Offer as mentioned in **By-Law 5.9**, the Options under the Offer can be exercised by the Grantee by written notice in the prescribed form to the Company during the Exercise Period in respect of all or any part of the FFB Shares comprised in the Options under the Offer, such part being in multiples of one hundred (100) FFB Shares. In the event that the balance of FFB Shares comprised in the Options of any Grantee is less than one hundred (100) FFB Shares, the said balance of the Options shall if exercised, be exercised in a single tranche.

10.2 Except where it is decided otherwise and announced by the ESOS Committee, an Option is exercisable by the Grantee only on a Market Day during the Option Period and while the Grantee remains an Eligible Person.

10.3 Trust

(i) The Company intends to establish a Trust to be administered by the Trustee for purposes of implementing the ESOS. The appointed Trustee shall administer the Trust in accordance with the Trust Deed, and shall in particular, be responsible for the administration of the ESOS.

(ii) The Trustee shall open and maintain a Trust Account into which the Company and/or its Subsidiaries shall inject monies for the purposes of the ESOS, in particular to enable the Trustee to use the same to subscribe for FFB shares and to pay for expenses in relation to the administration of the Trust in accordance with these By-Laws.

(iii) Upon the Trustee receiving a written instruction from the ESOS Committee that a Grantee has elected to exercise his ESOS Option(s) pursuant to **By-Law 10.1**, the Trustee shall utilise the monies in the Trust Account to subscribe for such number of new FFB Shares in respect of which the written instruction is given. The Grantee would not be required to make any payment in respect of the ESOS Option(s) exercised as the funding of the Exercise Price is provided by the Company (via the Trustee) to the Trust.

(iv) The Company shall allot and issue the said FFB Shares which will be placed into a CDS Account of the Trustee or its authorised nominee.

(v) Subject to there being sufficient monies in the Trust Account, the Trustee or its authorised nominee shall be irrevocably authorised and instructed to assist with the sale and transfer of such number of FFB Shares in respect of which the instruction is given, and the proceeds from the sale of the FFB Shares shall be credited into the Trust Account.

(vi) The net gains from the sale of the said FFB Shares after deducting the exercise cost i.e. Exercise Price x number of FFB Shares (in respect of which the written instruction is given) and the related transaction costs, will be released to such Grantee. The balance of the proceeds, if any, will remain in the Trust Account and may be used by the Trustee towards subsequent subscription of shares and administration expenses. For purposes of administering the Trust, the Trustee shall do all such acts and things and enter into any transactions, agreements, deeds, documents or arrangements and make rules, regulations or impose terms and condition or delegate part of its power relating to the administration of the Trust as the ESOS Committee may in its discretion direct for the implementation and administration of the Trust.

(vii) The Board shall have power from time to time to appoint or rescind the appointment of any Trustee as it deems fit in accordance with the provisions of the Trust Deed.

10.4 The ESOS Committee shall ensure that there is sufficient monies in the Trust Account at all times to cater for the exercise of Options by the Grantees in accordance with these By-Laws.

10.5 In the event that a Grantee is subject to disciplinary proceedings (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service or are found to have had no basis or justification), the ESOS Committee shall have the right to suspend the Grantee's Options pending the outcome of such disciplinary proceedings. In addition to this right of suspension, the ESOS Committee may impose such terms and conditions as the ESOS Committee shall deem appropriate at its sole and absolute discretion having regard to the nature of the charges made or brought against the Grantee PROVIDED ALWAYS THAT:

(i) in the event that such Grantee shall subsequently be found not guilty of the charges which gave rise to such disciplinary proceedings, the ESOS Committee shall reinstate the rights of such Grantee to exercise his Options;

(ii) in the event the disciplinary proceedings result in a recommendation for the dismissal or termination of service of such Grantee, all unexercised and partially exercised Options of the Grantee shall immediately lapse and be null and void and of no further force and effect, without notice to the Grantee, upon pronouncement of the dismissal or termination of service of such Grantee notwithstanding that such recommendation, dismissal and/or termination of service may be subsequently challenged or disputed by the Grantee in any other forum;

(iii) in the event the Grantee is found guilty but no dismissal or termination of service is recommended, the ESOS Committee shall have the right to determine at its sole and absolute discretion whether or not the Grantee may continue to exercise his Options or any part thereof and if so, to impose such terms and conditions as it deems appropriate, on such exercise rights; and

(iv) in the event that no decision is made and/or disciplinary proceedings are not concluded prior to the expiry of the Exercise Period, the Options of such Grantee shall immediately lapse on the expiry of the Exercise Period without notice,

and nothing herein shall impose any obligation of the ESOS Committee to enquire into or investigate the substantiveness and/or validity of such disciplinary proceeding(s) and the ESOS Committee shall not under any circumstances be held liable for any costs, losses, expenses, damages or liabilities, gains or profits foregone, arising from the ESOS Committee's exercise of or failure to exercise any of its rights under these By-Laws.

10.6 All Options to the extent unexercised on the expiry of the Exercise Period applicable thereto shall lapse.

10.7 Any failure to comply with the procedures specified by the ESOS Committee or to provide information as required by the Company, the ESOS Committee and/or the Trustee in the notice to exercise shall result in the notice to exercise being rejected at the discretion of the ESOS Committee. The ESOS Committee shall inform the Grantee of the rejection of the notice of exercise within ten (10) Market Days from the date of rejection and the Grantee shall not have deemed to have exercised his/her Options.

10.8 The Company, the Board, the ESOS Committee and the Trustee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities whatsoever and howsoever arising in the event of any delay on the part of the Company in allotting and issuing the Shares or in procuring the relevant authorities to list and quote the Shares subscribed for by a Grantee or any delay in receipt or non-receipt by the Company of the notice to exercise the Options or for any errors in any Offers.

10.9 Every Option shall be subjected to the condition that no new FFB Shares shall be issued pursuant to the exercise of an Option if such issue would be contrary to any law, enactment, rule and/or regulation of any legislative or non-legislative body which may be in force during the Option Period or such period as may be extended.

11. RIGHTS ATTACHING TO THE NEW FFB SHARES

The new FFB Shares to be issued and allotted pursuant to the exercise of the Options in accordance with **By-Law 10** shall, upon issuance and allotment rank *pari passu* in all respects with the then existing FFB Shares, and be entitled to all rights (including voting, dividend, allotment, distribution, transfer, and other rights, including those arising on a liquidation of the Company), attaching to the then existing FFB Shares, save and except that the new FFB Shares so issued and allotted will not be entitled to any dividends, rights, allotments or other forms of distribution which may be declared, made or paid, for which the Entitlement Date is prior to the date of allotment of such new FFB Shares.

Fractional entitlements (if any) will be disregarded and shall be dealt with in such manner as the Board shall in its sole and absolute discretion thinks expedient in the interest of the Company.

The new FFB Shares will be subject to all provisions of the Constitution of the Company as may thereafter be amended from time to time.

12. NON-TRANSFERABILITY

12.1 An Option is personal to the Grantee and subject to the provisions of **By-Laws 13.1, 13.2, 13.3** and **13.5** hereof, it is exercisable only by the Grantee personally during his lifetime whilst he is in the employment in any company in the FFB Group.

12.2 An Option so granted shall not be transferred, assigned, disposed of or subject to any encumbrances by the Grantee save and except in the event of the death of the Grantee as provided under **By-Law 13.5** hereof. Any such transfer, assignment, disposal or encumbrance shall result in the automatic cancellation of the Option.

13. TERMINATION OF THE OPTION

13.1 In the event a Grantee ceases to be in the employment of FFB Group for whatever reason prior to the full exercise of the Options, subject to **By-Law 13.5**, such Options or the balance thereof, as the case may be, shall forthwith cease to be valid without any claim against the Company PROVIDED ALWAYS THAT the ESOS Committee may, at its sole and absolute discretion, by notice in writing, permit such Options to remain exercisable during the Exercise Period if such cessation occurs by reason of:

(i) retirement on or after attaining the normal retirement age; or

(ii) retirement before attaining the normal retirement age but with the consent of the relevant employer company within the FFB Group; or

(iii) transfer to any company outside the FFB Group at the direction of the Company subject to the approval and/or ratification by the Board; or

(iv) retrenchment; or

(v) ill-health, injury, physical or mental disability; or

(vi) any separation scheme implemented by the Company, provided that the affected Grantee shall exercise the Options prior to expiry of three (3) months from the date of the separation scheme; or

(vii) any Director not being re-appointed during a general meeting of the Company, that Director shall exercise the Options prior to expiry of three (3) months from the date he/she ceased to be a Director; or

(viii) any other circumstances which are acceptable to the ESOS Committee subject to the approval and/or ratification by the Board.

Upon the termination of Options pursuant to the above, the Grantee shall have no right to compensation or damages or any claim against the Company for any loss of any right or benefit under the ESOS which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from his/her ceasing to hold office or employment or from the suspension of his/her right to exercise his/her Options or his/her Options ceasing to be valid.

13.2 Notwithstanding anything contained in these By-Laws, unless otherwise agreed in writing by the ESOS Committee at its sole and absolute discretion, upon the resignation/cessation of the Grantee from his employment or directorship with the Group (as the case may be), an Option shall lapse forthwith on the date the Grantee tenders his resignation. Any Option which lapses upon the resignation/cessation of the Grantee from his employment or directorship with the Group (as the case may be), shall become available to be offered to other Eligible Persons, at the discretion of the ESOS Committee.

13.3 An Option shall immediately become void and of no further force and effect upon the Grantee being adjudicated a bankrupt.

13.4 In the event of the liquidation of the Company, all unvested or unexercised Options shall lapse and be null and void and/or be deemed to be cancelled and/or cease to be capable of vesting or being exercised without any liability to or right to claim against the Company, the Board and the ESOS Committee.

13.5 In relation to unvested Options:

(i) in the event a Grantee is deemed a Good Leaver, the ESOS Committee may in its sole and absolute discretion permit the prorated vesting of the Option(s) in the Grantee at any time subject to such terms and conditions as may be prescribed by the ESOS Committee; or

(ii) in the event a Grantee is deemed a Poor Leaver, then with effect from the date of such termination or cessation of employment or engagement with the Group, any unvested Options in respect of the Poor Leaver shall forthwith lapse and be null and void and/or be deemed to be cancelled and/or cease to be capable of vesting on such Poor Leaver without any liability to or right to claim against the Company, the Board and the ESOS Committee.

13.6 Where a Grantee dies before the expiry of the Exercise Period, the whole or any part of the Options held by the Grantee that are unexercised may be exercised by the legal representatives of the Grantee in accordance with the terms and/or conditions as set out by the ESOS Committee PROVIDED ALWAYS THAT no Option shall be exercised after the expiry of the Exercise Period.

14. ALTERATION OF SHARE CAPITAL DURING THE OPTION PERIOD

14.1 Subject to **By-Law 14.3**, in the event of any alteration in the capital structure of the Company during the Option Period, whether by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of FFB Shares or reduction of capital or any other variation of capital, the Company shall cause such adjustments to be made to:

(i) the number of Options granted to a Grantee (excluding Options already exercised);

(ii) the Exercise Price;

(iii) the number of Options and/or Exercise Price comprised in an Offer which is open for acceptance (but has yet to be accepted in accordance with the terms and conditions of the Offer and the ESOS),

for purposes of ensuring that the capital outlay to be incurred by a Grantee in subscribing for the same proportion of the issued capital of the Company as that to which he was entitled prior to the event giving rise to such adjustment (i.e not taking into account Options already exercised) shall remain unaffected.

14.2 The following provisions shall apply in relation to an adjustment which is made pursuant to **By-Law 14.1**:

(i) any adjustment to the Exercise Price shall be rounded up to the nearest one (1) sen; and

(ii) in determining a Grantee's entitlement to subscribe for new FFB Shares, any fractional entitlements will be disregarded.

14.3 **By-Law 14.1** shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:

(i) an issue of new FFB Shares or other securities convertible into FFB Shares or rights to acquire or subscribe for FFB Shares in consideration or part consideration for an acquisition of any other securities, assets or business;

(ii) a special issue of new FFB Shares approved by the relevant governmental authorities;

(iii) a private placement/restricted issue of new FFB Shares by the Company;

(iv) an issue of new FFB Shares arising from the exercise of any conversion rights attached to securities convertible to FFB Shares or upon exercise of any other rights including warrants and/or convertible loan stocks (if any) issued by the Company;

(v) an issue of new FFB Shares upon the exercise of Options pursuant to the ESOS;

(vi) an issue of further Options to Eligible Persons under these By-Laws; and

(vii) a share buy-back arrangement by the Company, pursuant to Section 127 of the Act. In this event, the following provisions shall apply:

(a) if the number of FFB Shares in respect of the Options granted by the Company as at the date of designation of the FFB Shares so purchased as treasury shares or cancellation of such Shares is greater than fifteen percent (15%) of the total number of issued shares of the Company after such designation or cancellation, the ESOS Committee shall not make any further Offers; and

(b) if the number of FFB Shares in respect of the Options granted by the Company as at the date of designation of the FFB Shares so purchased as treasury shares or cancellation of such Shares is less than fifteen percent (15%) of the total number of issued shares of the Company after such designation or cancellation, the ESOS Committee may make further Offers only until the total number of Options granted by the Company is equivalent to fifteen percent (15%) of the total number of issued shares of the Company after such designation or cancellation.

14.4 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Division 7 of the Act, **By-Law 14.1** shall be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which **By-Law 14.1** is applicable, but **By-Law 14.1** shall not be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which **By-Law 14.1** is not applicable as described in **By-Law 14.3**.

14.5 In the event the Court sanctions a compromise or arrangement between the Company and its members proposed for the purposes of, or in connection with, a scheme for reconstruction of the Company under Section 366 of the Act or its amalgamation with any other company or companies under Section 366 of the Act any Options should remain exercisable by the Grantee at any time and from time to time in the period commencing with the date upon which the compromise or arrangement is sanctioned by the Court and ending with the date upon which it becomes effective or within the Exercise Period, whichever expires first. Upon the compromise or arrangement becoming effective, all Options, to the extent unexercised shall automatically lapse and shall become null and void.

14.6 An adjustment pursuant to **By-Law 14.1** shall be made according to the following terms:

(i) in the case of a rights issue, bonus issue or other capitalisation issue, on the Market Day immediately following the Entitlement Date in respect of such issue; or

(ii) in the case of a consolidation or subdivision of FFB Shares or reduction of capital, on the Market Day immediately following the date such consolidation, subdivision or reduction shall become effective.

Upon any adjustment being made, the ESOS Committee shall within thirty (30) days from the adjustment date give notice in writing to the Grantee, or his legal or personal representative where the Grantee is deceased, to inform him of the adjustment and the event giving rise thereto.

All adjustments other than a bonus issue must be confirmed in writing by an Auditor or such other persons as allowed by Bursa Securities (who shall act as an expert and not as an arbitrator), to be in his/her opinion fair and reasonable.

14.7 All adjustments made pursuant to **By-Law 14** shall be final, binding and conclusive.

14.8 The Company shall ensure that any adjustments made must be in compliance with the provisions for adjustment as provided in **By-Law 14.9**.

14.9 In addition to **By-Law 14.1** and not in derogation thereof, the Exercise Price and the number of Options so far unexercised shall from time to time be adjusted, calculated or determined by the ESOS Committee and certified by an approved company auditor of the Company or such other persons as allowed by Bursa Securities in accordance with the following relevant provisions in consultation with the Adviser and/or the external auditor:

(i) If and whenever a consolidation or subdivision or conversion of FFB Share occurs, the Exercise Price and/or the additional number of Options to be issued shall be adjusted, calculated or determine in accordance with the following manner:

$$\text{New Exercise Price} = S \times \left(\frac{A}{B}\right)$$

$$\text{Number of additional Options} = T \times \left(\frac{B}{A}\right) - T$$

Where:

S = existing Exercise Price;

A = the aggregate number of issued FFB Shares immediately before such consolidation, subdivision or conversion;

B = the aggregate number of new FFB Shares in the share capital of FFB after such consolidation, subdivision or conversion; and

T = existing number of Options held that remains unexercised.

Each such adjustment will be effective from the close of business on the Market Day immediately following the date on which the consolidation or subdivision or conversion becomes effective (being the date when the FFB Shares are traded on Bursa Securities), or such period as may be prescribed by Bursa Securities.

(ii) If and whenever the Company shall make any issue of FFB Shares to ordinary shareholders by way of bonus issue or capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund), the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = S \times \left(\frac{A}{A + B} \right)$$

and the number of additional Options to be issued shall be calculated as follows:

$$\text{Number of additional Options} = T \times \left(\frac{A + B}{A} \right) - T$$

Where:

A = the aggregate number of issued FFB Shares immediately before such bonus issue or capitalisation issue;

B = the aggregate number of new FFB Shares to be issued pursuant to any allotment to ordinary shareholders of the Company by way of bonus issue or capitalisation of profits or reserves of the Company (whether of a capital or income nature and including any share premium account and capital redemption reserve fund);

S = as S in **By-Law 14.9(i)**; and

T = as T in **By-Law 14.9(i)**.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

(iii) If and whenever the Company shall make:

(a) a Capital Distribution (as defined below) to its ordinary shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or

(b) any offer or invitation to its ordinary shareholders whereunder they may acquire or subscribe for FFB Shares by way of rights; or

(c) any offer or invitation to its ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into FFB Shares or securities with rights to acquire or subscribe for FFB Shares,

then and in respect of each such case, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = S \times \left(\frac{C - D}{C} \right)$$

and in respect of the case referred to in **By-Law 14.9(iii)(b)** and **(iii)(c)**, the number of additional Options to be issued shall be calculated as follows:

$$\text{Number of additional Options} = T \times \left(\frac{C}{C - D^*} \right) - T$$

Where:

S = as S in **By-Law 14.9(i)**;

T = as T in **By-Law 14.9(i)**;

C = the prevailing market price of each Share at the close of business on the Market Day immediately preceding the date of the Capital Distribution, or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation;

D = (A) in the case of an offer or invitation to acquire or subscribe for FFB Shares by way of rights under **By-Law 14.9(iii)(b)** or for securities convertible into FFB Shares or securities with rights to acquire or subscribe for FFB Shares under **By-Law 14.9(iii)(c)**, the value of rights attributable to one (1) FFB Share (as defined below); or

(B) in the case of any other transaction falling within **By-Law 14.9(iii)**, the fair market value, as determined by an auditor of the Company, of that portion of the Capital Distribution attributable to one (1) FFB Share.

For the purpose of definition (A) of D above, the "value of the rights attributable to one (1) FFB Share" shall be calculated in accordance with the formula:

$$\frac{C - E}{F + 1}$$

Where:

C = as C in **By-Law 14.9(iii)**;

E = the subscription price for one (1) additional FFB Share under the terms of such offer or invitation or subscription price for one (1) additional FFB Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one (1) FFB Share under the offer or invitation;

F = the number of FFB Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional FFB Share or security convertible into rights to acquire or subscribe for one (1) additional FFB Share; and

D* = the value of rights attributable to one (1) FFB Share (as defined below).

For the purposes of definition D* above, the "value of rights attributable to one (1) FFB Share" shall be calculated in accordance with the formula:

$$\frac{C - E^*}{F^* + 1}$$

Where:

C = as C in **By-Law 14.9(iii)**;

E* = the subscription price for one (1) additional FFB Share under the terms of such offer or invitation to acquire or subscribe for FFB Shares; and

F* = the number of FFB Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional FFB Share.

For the purposes of **By-Law 14.9(iii)**, "Capital Distribution" shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of FFB Shares (not falling under **By-Law 14.9(ii)**) or other securities issued by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account or capital redemption reserve fund).

Any dividend charged or provided for in the accounts of any period shall (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the ordinary shareholders of FFB as shown in the audited consolidated profit and loss accounts of the Company.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for the above transactions.

(iv) If and whenever the Company makes an allotment to its ordinary shareholders as provided in **By-Law 14.9(ii)** and also makes an offer or invitation to its ordinary shareholders as provided in **By-Law 14.9(iii)(b)** or **(c)** hereof and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = S \times \left(\frac{(G \times C) + (H \times I)}{(G + H + B) \times C} \right)$$

and in respect of the case referred to in **By-Law 14.9(iii)(b)** and **(iii)(c)**, the number of additional Options to be issued shall be calculated as follows:

and where the Company makes an allotment to its ordinary shareholders as provided in **By-Law 14.9(ii)** and also makes an offer or invitation to its ordinary shareholders as provided in **By-Law 14.9(iii)(b)** and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the number of additional Options to be issued shall be calculated in the following manner:

$$\text{Number of additional Options} = T \times \left(\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right) - T$$

Where:

B = as B in **By-Law 14.9(ii)**;

C = as C in **By-Law 14.9(iii)**;

G = the aggregate number of issued FFB Shares on the Entitlement Date;

H = the aggregate number of new FFB Shares under an offer or invitation to acquire or subscribe for FFB Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into FFB Shares or rights to acquire or subscribe for securities convertible into FFB Shares or rights to acquire or subscribe for FFB Shares, as the case may be;

H* = the aggregate number of new FFB Shares under an offer or invitation to acquire or subscribe for FFB Shares by way of rights;

I = the subscription price of one (1) additional FFB Share under an offer or invitation to acquire or subscribe for FFB Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional FFB Share, as the case may be;

I* = the subscription price of one (1) additional FFB Share under the offer or invitation to acquire or subscribe for FFB Shares;

S = as S in **By-Law 14.9(i)**; and

T = as T in **By-Law 14.9(i)**.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

(v) If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for FFB Shares as provided in **By-Law 14.9(iii)(b)** together with an offer or invitation to acquire or subscribe for securities convertible into FFB Shares or rights to acquire or subscribe for FFB Shares as provided in **By-Law 14.9(iii)(c)**, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = S \times \left(\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J) \times C} \right)$$

and the number of additional Options to be issued shall be calculated in the following manner:

$$\text{Number of additional Options} = T \times \left(\frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)} \right) - T$$

Where:

C = as C in **By-Law 14.9(iii)**;

G = as G in **By-Law 14.9(iv)**;

H = as H in **By-Law 14.9(iv)**;

H* = as H* in **By-Law 14.9(iv)**;

I = as I in **By-Law 14.9(iv)**;

I* = as I* in **By-Law 14.9(iv)**;

J = the aggregate number of FFB Shares to be issued to its ordinary shareholders upon conversion of such securities or exercise of such rights to subscribe for FFB Shares by the ordinary shareholders;

K = the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional FFB Share;

S = as S in **By-Law 14.9(i)**; and

T = as T in **By-Law 14.9(i)**.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

(vi) If and whenever the Company makes an allotment to its ordinary shareholders as provided in **By-Law 14.9(ii)** and also makes an offer or invitation to acquire or subscribe for FFB Shares to its ordinary shareholders as provided in **By-Law 14.9(iii)(b)**, together with rights to acquire or subscribe for securities convertible into FFB Shares or with rights to acquire or subscribe for FFB Shares as provided in **By-Law 14.9(iii)(c)**, and the Entitlement Date for the purpose of allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = S \times \left(\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J + B) \times C} \right)$$

and the number of additional Options to be issued shall be calculated in the following manner:

$$\text{Number of additional Options} = T \times \left(\frac{(G + H^{*} + B) \times C}{(G \times C) + (H^{*} \times I^{*})} \right) - T$$

Where:

C = as C in **By-Law 14.9(iii)**;

G = as G in **By-Law 14.9(iv)**;

H = as H in **By-Law 14.9(iv)**;

H* = as H* in **By-Law 14.9(iv)**;

I = as I in **By-Law 14.9(iv)**;

I* = as I* in **By-Law 14.9(iv)**;

J = as J in **By-Law 14.9(v)**;

K = as K in **By-Law 14.9(v)**;

S = as S in **By-Law 14.9(i)**; and

T = as T in **By-Law 14.9(i)**.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

(vii) If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders of FFB and requiring an adjustment under **By-Laws 14.9(iii)(b)**, **(iii)(c)**, **(iv)**, **(v)** or **(vi)**), the Company shall issue either any FFB Shares or any securities convertible into FFB Shares or any rights to acquire or subscribe for FFB Shares, and in any such case, the Total Effective Consideration per FFB Share (as defined below) is less than ninety per cent (90%) of the Average Price for one (1) FFB Share (as defined below) or, as the case may be, the price at which the FFB Shares will be issued and/or transferred upon conversion of such securities or exercise of such rights is determined, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = S \times \left(\frac{L + M}{L + N} \right)$$

Where:

L = the number of FFB Shares in issue at the close of business on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;

M = the number of FFB Shares which the Total Effective Consideration (as defined below) would have purchased at the Average Price (as defined below) (exclusive of expenses);

N = the aggregate number of FFB Shares so issued or, in the case of securities convertible into FFB Shares or rights to acquire or subscribe for FFB Shares, the maximum number (assuming no adjustment of such rights) of FFB Shares issuable upon full conversion of such securities or the exercise in full of such rights; and

S = as S in **By-Law 14.9(i)**.

For the purposes of **By-Law 14.9(vii)**, the "Total Effective Consideration" shall be determined by the Board with the concurrence of an external auditor of the Company and shall be:

(a) in the case of the issue of FFB Shares, the aggregate consideration receivable by the Company on payment in full for such FFB Shares; or

(b) in the case of the issue by the Company of securities wholly or partly convertible into FFB Shares, the aggregate consideration receivable by the Company on payment in full for such securities or such part of the securities as is convertible together with the total amount receivable by the Company upon full conversion of such securities (if any); or

(c) in the case of the issue by the Company of securities with rights to acquire or subscribe for FFB Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by the Company upon full exercise of such rights;

in each case without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and "Total Effective Consideration per FFB Share" shall be the Total Effective Consideration divided by the number of FFB Shares issued as aforesaid or, in the case of securities convertible into FFB Shares or securities with rights to acquire or subscribe for FFB Shares, by the maximum number of FFB Shares issuable on full conversion of such securities or on exercise in full of such rights.

For the purposes of **By-Law 14.9(vii)**, the Average Price of a FFB Share shall be the average price of one (1) FFB Share as derived from the last dealt prices for one (1) or more board lots of FFB Shares as quoted on Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such FFB Shares is determined.

Each such adjustment will be calculated (if appropriate, retroactively) from the close of business on Bursa Securities on the Market Day next following the date on which the issue is announced, or (failing any such announcement) on the Market Day next following the date on which the Company determines the offering price of such FFB Shares. Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day immediately following the date of the completion of the above transaction.

For the purposes of **By-Law 14.9(iii)**, **(iv)**, **(v)** and **(vi)** the current market price in relation to one (1) existing FFB Share for any relevant day shall be the VWAMP for the five (5) consecutive Market Days before such date or during such other period as may be determined in accordance with any guidelines issued, from time to time, by the relevant authorities.

(viii) The foregoing provisions on adjustment of the Exercise Price shall be subject to the following:

(a) On any such adjustment the resultant Exercise Price shall be rounded up to the nearest one (1) sen and in no event shall any adjustment involve an increase In the Exercise Price or reduce the number of Options so far as unexercised to which the Grantee is already entitled to;

(b) No adjustment shall be made to the Exercise Price in any case in which the amount by which the same would be reduced in accordance with the foregoing provisions of "would be less than one (1) sen" or the number of Options so far as unexercised is less than one (1) Option and any adjustment that would otherwise be required then to be made will not be carried forward;

(c) If an event giving rise to any such adjustment shall be capable of falling within any two (2) or more of paragraphs (i) to (ii) of **By-Law 14.1** (both inclusive) or if such event is capable of giving rise to more than one (1) adjustment, the adjustment shall made in such manner as the Directors of the Company and the external auditor of the Company may agree;

(d) If for any reason an event giving rise to an adjustment to the Exercise Price and/or the number of Options so far as unexercised to which a Grantee may be entitled to is cancelled, revoked or not completed, the adjustment shall not be required to be made or shall be reversed with effect from such date and in such manner as the Directors of the Company and the external auditor of the Company may agree;

(e) In any circumstances where the Board considers that adjustments to the Exercise Price and/or the number of Options so far as unexercised as provided for hereunder should be made or should not be made or should be calculated on a different basis or different date, the Company may appoint the external auditors of the Company or Adviser to consider whether for any reasons whatsoever (to the extent permissible by the Listing Requirements or any other relevant regulations) the adjustment calculation or determination to be made (or the absence of an adjustment calculation or determination) is appropriate or inappropriate as the case may be. If such external auditor or Adviser shall consider the adjustment calculation or determination to be inappropriate, the adjustment shall be modified or nullified (or an adjustment calculation or determination made even though not required to be made) in such manner as may be considered by such external auditors or Adviser to be appropriate;

(f) If the Board and the external auditors of the Company or Adviser are unable to agree upon any adjustment required under these provisions, the Board shall refer the adjustment to the decision of another external auditor or Adviser; and

(g) In making adjustments hereunder, the other external auditor or Adviser (as the case may be) shall be deemed to be acting as experts and not as arbitrators and, in the absence of manifest error, their decisions shall be conclusive and binding on all person having an interest in the Options.

15. LISTING OF AND QUOTATION FOR NEW SHARES

Subject to the provisions of **By-Law 3.1**, if at the time of allotment of the new FFB Shares pursuant to the exercise of the Options, the then existing issued ordinary shares of the Company are quoted on Bursa Securities, the Company shall make an application to Bursa Securities within eight (8) Market Days after the receipt of the notice of exercise and remittance from the Grantee or such other period as may be prescribed by Bursa Securities, for approval for the listing of and/or quotation for such new FFB Shares as required, unless a blanket approval for the listing of and/or quotation for the new FFB Shares arising from the ESOS has been obtained.

16. RETENTION PERIOD

The new FFB Shares once allotted and issued to Grantees is not subject to any retention period and may be dealt with or disposed by such Grantees.

17. ADMINISTRATION

17.1 This ESOS shall be administered by the ESOS Committee comprising such number of Directors and/or Senior Management personnel as shall be appointed by the Board from time to time. The ESOS Committee shall, subject to these By-Laws administer the ESOS and regulate the ESOS Committee's own proceedings in such manner as it shall think fit.

17.2 Without limiting the generality of **By-Law 17.1**, the ESOS Committee may, for the purpose of administering the ESOS, do all acts and things, rectify any errors in its Offers, recommend to the Board to establish, amend and revoke rules and regulations relating to the ESOS and its administration, execute all documents and delegate any of its powers and duties relating to the ESOS as it may in its discretion consider to be necessary or desirable for giving effect to the ESOS.

17.3 The Board shall have power at any time and from time to time to rescind the appointment of any person in the ESOS Committee as it shall deem fit and may appoint replacement members to the ESOS Committee.

17.4 The Board shall have the power to determine all matters pertaining to the ESOS Committee, including without limitation setting the terms of reference for the ESOS Committee, composition, duties, powers and limitations. The Board is entitled at any time and from time to time to change the terms of reference of the ESOS Committee.

18. AMENDMENT AND/OR MODIFICATION TO THE SCHEME

18.1 Subject to the compliance with the Listing Requirements and any laws and/or regulations of other relevant authorities, the ESOS Committee may at any time and from time to time recommend to the Board any additions or amendments to or deletions of these By-Laws as it shall in its discretion think fit and the Board shall have the power by resolution to add, amend or delete all or any of these By-Laws upon such recommendation PROVIDED ALWAYS THAT no additions or amendments to or deletions of these By-Laws shall be made which will:

(i) prejudice any rights then accrued to any Grantee without the prior consent or sanction of that Grantee; or

(ii) increase the number of FFB Shares available under the ESOS beyond the maximum imposed by **By-Law 4.2**; or

(iii) alter to the advantage of any Eligible Person in respect of any matters which are required to be contained in these By-Laws by virtue of Appendix 6E of the Listing Requirements, without the prior approval of the Company's shareholders in a general meeting unless allowed otherwise by the provisions of the Listing Requirements.

18.2 Any amendments/modifications to these By-Laws shall not contravene any of the provisions of the guidelines on employees' share option schemes as stipulated under the Listing Requirements and/or by any other relevant regulatory authority in relation to ESOS.

18.3 Upon amending and/or modifying all or any of the provisions of the ESOS, the Company shall within five (5) Market Days, submit a confirmation letter to Bursa Securities for the amendments made, that the said amendment and/or modification complies and does not contravene any of the provisions of the Listing Requirements pursuant to paragraph 2.12 of the Listing Requirements and the Rules of Bursa Depository. In such event, the ESOS Committee shall furnish a written notification to all Grantees and the Company shall make all necessary announcements to Bursa Securities in respect of such amendments and/or modifications.

19. DISPUTES

In the event of any dispute or difference arising between the ESOS Committee and an Eligible Person or a Grantee, as to any matter or thing of any nature arising hereunder, the ESOS Committee shall determine such dispute or difference by a written decision (without the obligation to give any reason thereof) to the Eligible Person or the Grantee, as the case may be PROVIDED ALWAYS THAT where the dispute or difference is raised by a member of the ESOS Committee, the said member shall abstain from voting in respect of the decision of the ESOS Committee in that instance. The said decision shall be final and binding on the parties unless the Eligible Person or the Grantee, as the case may be, shall dispute the same by written notice to the ESOS Committee within fourteen (14) calendar days of the receipt of the written decision, in which case such dispute or difference shall be referred to the decision of the Board, whose decision shall be final and binding in all respects.

20. SCHEME NOT A TERM OF EMPLOYMENT

The ESOS shall not form part of or constitute or in any way be construed as a term or condition of employment of any employee. The ESOS shall not confer or be construed to confer on an Eligible Person any special rights or privileges over the Eligible Person's terms and conditions of employment in the FFB Group under which the Eligible Person is employed or any rights additional to any compensation or damages that the Eligible Person may be normally entitled to arising from the cessation of such employment.

21. COSTS AND EXPENSES

All fees, costs and expenses incurred in relation to the administration and management of the ESOS including but not limited to the fees, costs and expenses relating to the Trust and the allotment and issuance of new FFB Shares pursuant to the exercise of the Options shall be borne by the Company. Notwithstanding this, the Grantee shall bear any fees, costs (including any taxes and stamp duty) and expenses incurred in relation to his/ her acceptance and exercise of the Options (including all brokerage fees, commission and such other incidental costs arising from the sale of the shares).

22. CONSTITUTION

Notwithstanding the terms and conditions contained in these By-Laws, if a situation of conflict should arise between these By-Laws and the Constitution of the Company, the provisions of the Constitution of the Company shall prevail at all times.

23. INSPECTION OF AUDITED FINANCIAL STATEMENTS

All Grantees are entitled to inspect the latest audited financial statements of the Company during the normal business hours on any working day at the registered office of the Company.

24. TRANSFER FROM OTHER COMPANIES TO THE FFB GROUP

In the event that:

(a) an executive director or employee who was employed in a company related to but not within the FFB Group and is subsequently transferred from such company to any company within the FFB Group; or

(b) an executive director or employee who was in the employment of a company which subsequently becomes a company within the FFB Group as a result of a restructuring exercise or otherwise involving FFB and/or any company within the FFB Group;

(the first mentioned company in (a) and (b) above are hereinafter referred to as the "**Previous Company**"), such an executive director or employee of the Previous Company (the "**Affected Director/Employee**"), subject to **By-Law 6**, will:

(i) be entitled to continue to exercise all such unexercised Option(s) which were granted to him under the Previous Company's employees' share option scheme ("**Previous Company's ESOS**") in accordance with the by-laws of the Previous Company's ESOS but he shall not, upon such transfer or restructuring or divestment as the case may be, be eligible to participate for further options of such Previous Company's ESOS; and/or

(ii) be eligible to participate in the ESOS only for the remaining duration of the ESOS, subject to the ESOS Committee's approval; and/or

(iii) if the Affected Director/Employee had participated in the Previous Company's ESOS, the number of new FFB Shares to be offered to such Affected Director/Employee under the ESOS shall be subject to the sole and absolute discretion of the ESOS Committee.

25. DIVESTMENT FROM THE FFB GROUP

If a Grantee who was in the employment of a company in the FFB Group, which was subsequently divested wholly, or in part, from the FFB Group, resulting in such company no longer be a subsidiary of FFB pursuant to Section 4 of the Act, then such Grantee:

(i) notwithstanding such divestment and subject to the provisions of **By-Laws 10** and **13.2**, will be entitled to continue to exercise all such unexercised Options which were granted to him under the ESOS within a period of three (3) months from the date of completion of such divestment or within the Exercise Period, whichever ends earlier, failing which the right of such Grantee to subscribe for that number of the new FFB Shares or any part thereof granted under such unexercised Options shall automatically lapse and be null and void and of no further force and effect; and

(ii) shall not be eligible to participate for further Options under the ESOS.

For the avoidance of doubt, where the Grantee was in the employment of a company in the FFB Group and that company was subsequently partially divested but remained as a subsidiary of FFB pursuant to Section 4 of the Act, then such Grantee shall continue to be entitled to all his/ her rights in relation to the unexercised Options and he/she shall be eligible for further participation of the Options under the ESOS.

26. TAKE-OVER AND MERGERS

Notwithstanding **By-Law 10** and subject to the provisions of any applicable statutes, rules, regulations and/or conditions issued by the relevant regulatory authorities, in the event of:

(i) a take-over offer being made for the Company, under the Rules on Take-overs, Mergers and Compulsory Acquisitions, to acquire the whole of the issued ordinary share capital of the Company (or such part thereof not at the time held by the person making the take-over offer ("**Offeror**") or any persons acting in concert with the Offeror), any unexercised Options shall remain in force and be exercisable until the expiry of the Exercise Period applicable thereto; and

(ii) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of new FFB Shares under the provisions of the Capital Markets and Services Act, 2007 (or other legislation applicable at the point of time), and gives notice to the Company and Grantee that it intends to exercise such right on a specific date, a Grantee will be entitled to exercise any unexercised Options from the date of service of the said notice until and inclusive of the date on which the right of compulsory acquisition is exercised PROVIDED ALWAYS THAT any Options to the extent unexercised after the date on which the right of compulsory acquisition is exercised shall lapse and immediately cease to have any effect.

27. SUBSEQUENT EMPLOYEES' SHARE OPTION SCHEMES

27.1 Subject to the approval of the relevant authorities and compliance with the requirements of the relevant authorities, the Company may establish a new employees' share option scheme after the Date of Expiry if the ESOS is not renewed or after termination of the ESOS pursuant to **By-Law 3.6**. Where the ESOS has been renewed (in accordance with **By-Law 3.3**), a new employees' share option scheme may be established upon expiry of the renewed ESOS, if any.

28.2 The Company may establish more than one (1) employees' share option scheme during the duration of the ESOS as provided in **By-Law 3.3** provided always that the aggregate number of Shares available under all the employees' share option schemes does not exceed fifteen percent (15%), or any other percentage as may be allowed by Bursa Securities, of the total number of issued shares of the Company (excluding treasury shares) at any point in time.

28. NO COMPENSATION

28.1 A Grantee who ceases to hold office or employment shall not be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the ESOS which he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of office.

28.2 No Eligible Person or Grantee or legal personal representatives shall bring any claim, action or proceeding against the Company or the Board, the ESOS Committee, the Trustee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension of his rights to exercise his Options or his Options ceasing to be valid pursuant to the provisions of these By-Laws, as may be amended from time to time in accordance with **By-Law 18** or termination of the ESOS in accordance with **By-Law 3**.

29. TAXES

All taxes (including income tax), if any, arising from the exercise of any Option under the ESOS shall be borne by the Grantee.

30. WINDING UP

In the event of a members' voluntary winding-up and a resolution is passed for the winding-up or liquidation of the Company, all unexercised Options shall automatically lapse and be null and void and of no further force and effect from the date of the members' resolution for such winding-up or liquidation of the Company.

In the event a petition is presented in Court for the winding-up or liquidation of the Company, all rights to exercise the Options shall automatically be suspended from the date of the presentation of the petition. If a court order winding-up the Company pursuant to the petition for winding-up is made, all unexercised Options shall automatically lapse and be null and void and of no further force and effect from the date of the court order. Conversely, if the petition for winding-up is dismissed by the Court, the right to exercise the Options shall accordingly be unsuspended.

31. RIGHTS OF A GRANTEE

The Options shall not carry any rights to vote at any general meeting of the Company. The Grantee shall not in any event be entitled to any dividends, rights or other entitlements on his unexercised Options.

32. SEVERABILITY

Any term, condition, stipulation or provision in these By-Laws which is illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability without invalidating the remaining provisions hereof, and any such illegality, voidness, prohibition or unenforceability shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation and provision herein contained.

33. GOVERNING LAW AND JURISDICTION

33.1 The ESOS shall be governed by and construed in accordance with the laws of Malaysia. The Grantee, by accepting the Options in accordance with these By-Laws and terms of the ESOS, irrevocably submits to the exclusive jurisdiction of the courts of Malaysia.

33.2 In order to facilitate the making of any Offer under the ESOS, the Board may provide for such special terms to the Eligible Person(s) who are employed by any corporation in the Group in a particular jurisdiction as the Board may consider necessary or appropriate for the purposes of complying with differences in local law, tax, policy or custom of that jurisdiction. The Board may further approve such supplements to or amendments, restatements or alternative versions of the ESOS as it may consider necessary or appropriate for such purposes without thereby affecting the terms of the ESOS as in effect for any other purpose, and the appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as the ESOS. No such special terms, supplements, amendments or restatements, however, shall include any provisions that are inconsistent with the terms of the ESOS, as then in effect, unless the ESOS has been amended to eliminate such inconsistency. Notwithstanding the above, any Offer made to such Eligible Person(s) pursuant to the ESOS shall be valid strictly in Malaysia only unless specifically mentioned otherwise by the ESOS Committee in the Offer.

34. NOTICE

34.1 Any notice or request which the Company is required to give, or may desire to give, to any Eligible Person or the Grantee pursuant to the ESOS shall be in writing and shall be deemed to be sufficiently given:

(i) if it is sent by ordinary post by the Company to the Eligible Person or the Grantee at the last address known to the Company as being his address, such notice shall be deemed to have been received three (3) Market Days after posting; or

(ii) if it is given by hand to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received on the date of delivery; or

(iii) if it is sent by electronic media, including but not limited to electronic mail, to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received upon confirmation or notification received after the sending of notice or request by the Company.

Any change of address of the Eligible Person or the Grantee shall be communicated in writing to the Company and the ESOS Committee.

34.2 Any notification or other notice required to be given to the Company or the ESOS Committee shall be properly given if sent by registered post or delivered by hand to the Company at its business address or any other address which may be notified in writing by the ESOS Committee from time to time or in any other manner as may be specified by the ESOS Committee in writing from time to time.

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ANNEXURE E: COMMERCIAL CONTRACTS WHICH OUR GROUP IS MATERIALLY DEPENDENT ON

(I) Commercial Agreement dated 5 November 2014 entered into amongst Farm Fresh, FFMSB and East Coast Economic Region Development Council ("ECERDC") ("Commercial Agreement")

Background

The Commercial Agreement was entered into for Farm Fresh and FFMSB to jointly commercially invest in, operate and manage the Muadzam Shah Cattle Research and Innovation Centre ("**MSCRIC**").

Term

The Commercial Agreement took effect on 9 December 2014, being the date all conditions precedent were satisfied and will continue in effect for 30 years unless terminated earlier in accordance with the terms therein and subject to Farm Fresh and FFMSB's performance review. Any request for extension of the term by either party must be made in writing 6 months' prior to the expiry of the Commercial Agreement and any extension shall be on terms and conditions to be agreed by the parties.

Farm Fresh and FFMSB's obligations

Farm Fresh and FFMSB's obligations under the Commercial Agreement, are, amongst others, the following:

(i) Farm Fresh and FFMSB have entered into a tenancy agreement with the Malaysian Agriculture Research and Development Institute ("**MARDI**") on 8 June 2015 in respect of the piece of land on which the MSCRIC is built on.

(ii) to establish and implement standard operating procedures ("**SOPs**"), policies and procedures for:

(a) product quality, food safety and traceability requirements;

(b) health, safety and environment; and

(c) disposal and/or treatment of waste,

in accordance with best industry standards;

(iii) to maintain proper records showing Farm Fresh and FFMSB's personnel, sub-contractors and agents having adhered to the SOPs;

(iv) to comply with all laws and regulations applicable to their operations and activities including those on health, safety, security and the environment;

(v) to procure, build, develop, operate, manage and maintain all infrastructures and utilities requirements to be constructed, completed, operated and maintained by Farm Fresh and FFMSB at the MSCRIC, at its own cost ("**Facilities**");

(vi) to hold the buildings, infrastructure and utilities which have been constructed and developed by ECERDC and leased from MARDI ("**Infrastructure**") on trust for ECERDC and to maintain the Infrastructure in good working order and condition,

(vii) to ensure the general upkeep and cleanliness of the MSCRIC;

(viii) notify ECERDC of any change in FFMSB's names, equity and/or shareholding structure;

(ix) to ensure that any foreign shareholding (whether direct or indirectly) in Farm Fresh and FFMSB will not exceed 49% at any time throughout the duration of the Commercial Agreement;

(x) to appoint a selected group of farmers ("**Satellite Farmers**") for the management and supply of milk and other dairy products by such Satellite Farmers ("**Satellite Farmers' Products**") and to purchase all of the Satellite Farmers' Products;

(xi) to supervise, manage the overall performance of the Satellite Farmers and provide training to the Satellite Farmers and other participants as approved by a joint technical committee (comprising members appointed by ECERDC, Farm Fresh and FFMSB) at least three (3) times per year; and

(xii) to conduct research and development activities (with MARDI, if required) and provided that Farm Fresh and FFMSB's operations are not interfered with, to allow other government agencies and institutions to use the Facilities for research activities.

Step-in rights

If Farm Fresh and FFMSB fails to carry out any part of their respective obligations, under the Commercial Agreement, ECERDC or MARDI has the right to assume that obligation ("**Step-in Rights**"). If ECERDC or MARDI decides to exercise its Step-in Rights, Farm Fresh and FFMSB shall pay all costs and expenses incurred by ECERDC or MARDI.

Indemnities

Farm Fresh and FFMSB shall indemnify ECERDC, its personnel, employees, servants or agents against loss of or damage to property or bodily injury sustained by reason of any wilful default, act of neglect and/or omission of Farm Fresh and FFMSB, its personnel, employees, servants or agents that arise from the performance of their duties under the Commercial Agreement.

Termination

If Farm Fresh and FFMSB is:

(i) convicted by a court of law for corruption or unlawful activities in relation to the Commercial Agreement; or

(ii) found to be in breach of the terms of the Commercial Agreement not capable of being remedied; or

(iii) if capable of being remedied, but is not remedied within 14 days of Farm Fresh and FFMSB receiving written notice of such breach,

then, Farm Fresh and FFMSB shall pay to ECERDC all compensation, damages, costs and expenses incurred by ECERDC arising from a termination of the Commercial Agreement.

Upon termination of the Commercial Agreement or if the Commercial Agreement expires and is not renewed, the Facilities and the Infrastructure (except for those movable items belonging to Farm Fresh and FFMSB) shall be transferred to MARDI or any other entity as ECERDC may direct at no cost and all rights in the MSCRIC shall revert to ECERDC and MARDI, in accordance with the terms of the Commercial Agreement.

(II) Packaging Material Supply Agreement dated 7 April 2021 entered into between Farm Fresh and Tetra Pak (Malaysia) Sdn Bhd ("Tetra Pak") ("Supply Agreement")

Background

The Supply Agreement was entered into for the supply of carton packaging materials and other materials such as straws, openings, closures and strips (collectively the "**Packaging Materials**") by Tetra Pak to Farm Fresh. The specific pricing, discounts, rebates and payment terms for the Packaging Materials are set out in an exhibit to the Supply Agreement ("**Exhibit**") and such Exhibit will be adjusted annually by Tetra Pak and provided to Farm Fresh before each renewal of the Supply Agreement.

Term

The Supply Agreement took effect on 1 January 2021 and is automatically renewed annually for further terms of one calendar year each, unless terminated by either party before the last day of the then-current calendar year.

Indemnities

Farm Fresh shall indemnify and hold Tetra Pak harmless against any third party claim relating to the supply of the Packaging Materials, unless and to the extent such liability is attributable to the Packaging Materials which are defective or otherwise attributable to Tetra Pak in accordance with the terms and conditions of the Supply Agreement. Farm Fresh shall also indemnify and hold harmless Tetra Pak, its subsidiaries and sub-suppliers against all actions, claims, liabilities, costs, expenses or damages which may be caused by or result from the printing or use of the designs, trade names, trademarks (other than Tetra Pak's trademarks), colours, patterns or wording printed on the Packaging Materials ordered by Farm Fresh.

Limitation of Liabilities

Tetra Pak will not be liable:

(i) for any indirect losses, including loss of profit, loss of revenue, production or operating losses, lost sales or contracts, contractual damages or penalties to third parties, loss of opportunity, loss of savings, loss of goodwill, or losses relating to marketing activities, which arise under the Supply Agreement. Such limitation shall apply even if Tetra Pak has knowledge of the possibility of any such damages and whether contractual or non-contractual; and

(ii) for any damage or loss suffered by Farm Fresh due to Tetra Pak's breach of the Supply Agreement, in tort or otherwise.

However, the above limitations shall not apply where Tetra Pak fails to perform any of its obligations under the Supply Agreement due to its fraudulent actions, wilful misconduct or gross negligence or if such limitations are not permitted or deemed not permitted under applicable laws.

Tetra Pak will also not be liable to the extent a claim or suit brought against Farm Fresh by a third party, is based on or due to the use of the Packaging Materials in connection or combination with equipment or software not supplied by Tetra Pak or agreed between the parties; or on use of the Packaging Materials outside its intended purpose; or information or materials provided by or designed specified by Farm Fresh; or on modifications to the Packaging Materials by Farm Fresh.

To the extent caused by Tetra Pak's negligent acts or omissions in fulfilling its obligations under the Supply Agreement, Tetra Pak will be liable:

(i) for any mandatory damages payable under local law due to death or personal injury; and

(ii) for any property damage to Farm Fresh's property or a third party's property up to a maximum amount of EUR1,500,000 (equivalent to RM6,282,000).

Intellectual Property

Ownership of all intellectual property (including trademarks) provided by Tetra Pak shall remain with Tetra Pak.

Tetra Pak has granted Farm Fresh a royalty-free, non-exclusive and non-transferable license to use Tetra Pak's trademarks, whether registered or established through use. Such trademarks shall only be used as instructed by Tetra Pak and printed on food and beverage packages made of Packaging Materials supplied by Tetra Pak.

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ANNEXURE F: GOVERNING LAWS AND REGULATIONS

(I) MALAYSIA

1. National Land Code ("NLC")

The NLC governs land matters within Peninsular Malaysia, where our material properties are situated. Pursuant to the NLC, the state authority may alienate land subject to such express conditions and restrictions in interest which shall be determined by the state authority at the time when the land is approved for alienation and every condition or restriction in interest imposed under this section shall be endorsed on or referred to in the document of title to the land.

Under the NLC, tenancies may be granted for terms not exceeding 3 years. There is no registration requirement for tenancies under the NLC but the interest of a tenant under a tenancy exempt from registration can be protected by way of an endorsement on the document of title to the land.

The proprietor of any alienated land may grant leases of the whole or any part thereof. A lease granted under the NLC must be more than 3 years and maximum term for which any lease may be granted shall be:

(i) 99 years if it relates to the whole of the land; or

(ii) 30 years if it relates to a part only thereof.

The lease granted is required to be registered with the relevant land registry or land office in order to vest in the lessee the interest in respect of the said land.

2. Occupational Safety and Health Act 1994 ("OSHA")

The OSHA imposes a general duty on every employer to ensure, so far as is practicable, the safety, health and welfare of its employees at work. Such duty, so far as is practicable, includes:

(i) providing and maintaining plants and systems of work that are safe and without risks to health;

(ii) making arrangements to ensure safety and absence of risks to health in connection with the use or operation, handling, storage and transport of plant and substances;

(iii) providing information, instruction, training and supervision as is necessary to ensurethe safety and health at work of his employees;

(iv) maintaining any place of work under the control of the employer, in a condition that is safe and without risks to health and providing and maintaining means of access to and egress from it that are safe and without such risks;

(v) providing and maintaining a working environment for his employees that is safe, without risks to health, and adequate as regards facilities for their welfare at work; and

(vi) formulating and implementing safety and health policies.

3. Street, Drainage and Building Act 1974 ("SDBA"), Uniform Building By-Laws 1984 ("UBBL")

The SDBA is enforced by the local authorities of Peninsular Malaysia and it provides for the requirement of having a Certificate of Completion and Compliance ("**CCC**") for the occupation of any building or any part thereof.

Under the 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, namely, an architect, registered building draughtsman or engineer.

A qualified person must be satisfied that, to their best knowledge:

(i) the relevant building has been constructed in accordance to 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.

Any person who occupies or permits to be occupied any building or any part thereof without a CCC shall be liable on conviction to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 10 years or to both.

4. Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 ("EMSHAA"), Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) Regulations 2020 ("EMSHAA Regulations")

The EMSHAA prescribes, amongst others, the minimum standards for accommodations for employees and centralised accommodations and requires employers to provide health, hospital, medical and social amenities.

The EMSHAA imposes the duty and responsibility on employers or centralised accommodation providers to, amongst others, ensure that:

(i) every accommodation provided for employees complies with the minimum standards required under the EMSHAA and any regulations issued under the EMSHAA;

(ii) no employee accommodation will be provided to an employee unless such accommodation is certified with a Certificate for Accommodation;

(iii) the employee accommodation has decent and adequate amenities in accordance with the EMSHAA and any regulations issued under the EMSHAA; and

(iv) preventive measures are taken to contain the spread of infectious diseases as ordered by the Medical Officer of Health in accordance with the relevant laws and the employer will, at his own expense, make arrangements as ordered by the Medical Officer of Health so that all or any of the employees be given immunisation against any infectious disease.

An employer who provides accommodation that is not certified with the Certificate for Accommodation to an employee commits an offence and shall, on conviction, be liable to a fine not exceeding RM50,000.

Further, the EMSHAA Regulations imposes, amongst others, the minimum requirements for employee accommodations including the size of floor area for bedrooms and sleeping areas, the obligation on employers or centralised accommodation providers to ensure the provision of water and electricity supply as well as basic amenities.

5. Food Act 1983 ("FA"), Food Regulations 1985 ("FR"), Food Hygiene Regulations 2009 ("FHR")

The FA and FR are laws governing the food safety and quality control, including standards, hygiene, import and export, advertisement and accreditation of laboratories. The objective is to protect the public from health hazards and fraud in the preparation, sale and use of foods and for other related matters. The legislation, applies to all foods, locally produced or imported which are sold in the country. It covers a broad spectrum from compositional standards to food additives, nutrient supplements, contaminants, packages and containers, food labelling, procedure for taking samples, food irradiation, provision for food not specified in the regulations and penalty.

The FHR governs and control the hygiene and safety of food sold in Malaysia. The objectives are to ensure food premises are hygienic and satisfactory in terms of design and building, ensure food handlers maintain personal hygiene and avoid practices that can contaminate food, and amongst others, to provide for requirement of mandatory food safety assurance programmes in food manufacturing factories. Under the FHR, no person shall use any food premises for the purposes of preparing, packaging, storing, distributing or sale of any food except where the premises is registered under FHR. Any person who fails to comply with the above commits an offence and shall, on conviction, be liable to a fine not exceeding RM10,000 or to imprisonment for a term not exceeding 2 years.

6. Trade Descriptions Act 2011 ("TDA")

The TDA is enforced by the Ministry of Domestic Trade and Consumer Affairs and provides protection for traders and consumers from unhealthy trade practices. The act aims to facilitate good trade practices and protect the interest of consumers by eliminating false trade descriptions and false or misleading statements, conducts and practices in relation to the supply of goods and services.

Under the TDA, a body corporate who applies a false trade description to any goods shall be on conviction, liable to a fine not exceeding RM250,000, and for a second and subsequent offence, to a fine not exceeding RM500,000.

Under the Trade Descriptions (Definition of Halal) Order 2011 and the Trade Descriptions (Certification and Marking of Halal) Order 2011, which forms part of the TDA, the Department of Islamic Development Malaysia (JAKIM) is authorised to certify any food, goods or services as "Halal". Halal certificates issued by JAKIM shows that a product is qualified to be consumed by Muslims, which means that the food or goods does not contain any harmful or any part of matter that was forbidden by the Shariah law.

7. Environment Quality Act 1974 ("EQA"), Environmental Quality (Prescribed Activities) (Environmental Impact Assessment) Order 2015 ("EQ Order")

The EQA regulates and restricts, among other things, the levels of pollution of the atmosphere, noise pollution, pollution of the soil, pollution of inland waters without a licence, prohibits the discharge of oil into Malaysian waters without a licence, discharge of wastes into Malaysia waters without a licence and prohibits open burning. The agency responsible for implementing and monitoring Malaysian's environmental regulations and policies is the Department of Environment and the local environmental authority.

The EQ Order requires any person who intends to carry out any prescribed activities to submit a report on the impact of the activities on the environment to the Director of Environmental Quality for examination. The environmental impact assessment ensures that potential environmental problems are foreseen and addressed at the early stage during project planning and design.

8. Industrial Coordination Act 1975 ("ICA")

The ICA governs the licensing requirement of manufacturing licences in Malaysia. The legislation requires any person engaging in any manufacturing activity in Malaysia with a shareholder's fund of RM2.5 million and above or employing 75 or more full-time paid employees to obtain a manufacturing licence. Failure to observe and adhere to the licensing requirements under the ICA will constitute an offence which is punishable on conviction by 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 per day during which the non-compliance continues.

A manufacturing licence may be revoked if the manufacturer to whom a licence is issued:

(i) has not complied with any condition imposed in the licence;

(ii) is no longer engaged in the manufacturing activity in respect of which the licence is issued; or

(iii) has made a false statement in his application for the licence.

9. Factories and Machinery Act 1967 ("FMA")

The FMA governs the control of factories and operations in relation to safety, health and welfare of persons working in a factory. Under the FMA, occupiers of a factory have a duty of care towards the health, safety and welfare of employees in their factories. The FMA also regulates the registration and inspection of the machines used in a factory. This act is a supplement to the OSHA and is focused on industries such as manufacturing, mining, quarrying and construction.

10. Animal Act 1953 ("AA")

The AA governs the prevention of the spread of diseases from animals and birds into Peninsular Malaysia, the licensing requirements of importation and exportation of animals and birds into or from Peninsular Malaysia, the control of slaughter of animals and birds, and livestock and poultry breeding and improvement.

11. Feed Act 2009 ("FA")

The FA ensures that animal feeds are in good quality and safe by controlling the importation, manufacture, sales and use of the feed. The objectives are to ensure that the feed satisfies the nutritional requirement of animals, not harmful to animals and it not contaminated so that animals and animal products are safe for human consumption. A licence will have to be obtained from the Feed Board established under the FA for the importation of feed or feed additive. Any person who imports any feed or feed additive without a licence shall on conviction, be liable to a fine not exceeding RM100,000 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 RM200,000 or to imprisonment for a term not exceeding 4 years or to both.

The FA also provides that no person shall incorporate any antibiotic, hormone or other chemicals into feed; or introduce any antibiotic, hormone or other chemicals directly or through a medium into animals, unless in accordance with the prescribed manner and at the prescribed level. Any person who contravenes the above commits an offence and shall on conviction, be liable to a fine not exceeding RM100,000 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 RM200,000 or to imprisonment for a term not exceeding 4 years or to both.

12. Malaysian Quarantine and Inspection Services Act 2011 ("MQISA")

The MQISA governs the licensing requirements for imports and exports, establish and manage quarantine stations, and conduct inspection and certification of premises of the exporting country. The objectives are to ensure that the plants, animals, carcass, fish and agricultural produce, soils, microorganisms and food that are imported into and exported out of Malaysia complies with the health aspect of human, animals, plants, fish and food safety.

(II) AUSTRALIA

1. Food Act 1984 (Vic) ("Food Act")

The Food Act specifically regulates the sale of food in Victoria, Australia to ensure that food for sale is suitable and safe for human consumption. All Victorian food businesses must comply with this legislation. The legislation outlines the requirements to be able to register a foods business, establishes a food premises classification system and enforcement powers, including any offences and penalties associated with breaching food laws.

Businesses that are subject to the Food Act must not:

(i) handle food intended for sale in a manner that the person knows will render, or is likely to render, the food unsafe. Where guilty of this offence, liability in the case of an individual is AUD100,000 or imprisonment for 2 years (or both) and for a corporation is AUD500,000;

(ii) cause food intended for sale to be falsely described if known that a consumer of the food who relies on the description will, or is likely to, suffer physical harm. Where guilty of this offence, liability in the case of an individual is AUD100, 000 or imprisonment for 2 years (or both) and for a corporation is AUD500,000; and

(iii) sell equipment that, if used for the purposes for which it was designed or intended to be used, would render or be likely to render food unsafe or would put other equipment, or would be likely to put other equipment, in such a condition that, if the other equipment were used for the purposes for which it was designed or intended to be used, it would render, or be likely to render, food unsafe. Where guilty of this offence, liability in the case of an individual is AUD40,000 and for a corporation is AUD200,000.

2. Australia New Zealand Food Standards Code ("Food Standards Code")

The Food Standards Code sets out the requirements for the labelling, safety, handling, processing and primary production of food in Australia. The Food Standards Code is designed to ensure that food is safe for human consumption and applies to any business or activity that involves the handling of food for sale or the sale of food in Australia. The Food Act legislation ratifies the Food Standards Code as part of Victorian law therefore mandating compliance. Businesses that are subject to the Food Act, must comply with any requirement imposed on the business by a provision of the Food Standards Code in relation to the conduct of a food business or to food intended for sale or food for sale. Where liable for an offence under the Food Standards Code, the penalty in the case of an individual is AUD40,000 and for a corporation is AUD200,000.

Businesses that are subject to the Food Act must ensure compliance with the following key provisions under the Food Standards Code:

(i) regulations that apply to most foods, e.g. labelling requirements, substances that can be added to food and safety of materials in contact with food, including permissions for new foods, limits for chemical and microbiological contaminants and maximum residue limits of veterinary and chemical residues in foods;

(ii) compositional requirements for specific foods e.g. meat, fish and alcoholic beverages;

(iii) safety standards, including requirements for food handlers wherever food is sold, e.g. good food safety practices such as training staff, keeping food at the correct temperature, washing hands and keeping equipment clean; and

(iv) primary production standards, including processing standards for agricultural commodities such as seafood, poultry meat, specific cheeses, wine and dairy products.

3. Dairy Act 2000 (Vic) ("Dairy Act")

The Dairy Act specifically regulates the food and dairy standards in the Victorian dairy industry. The Dairy Food Safety Victoria ("**DFSA**") is a special statutory body established under this legislation. DFSA is responsible for licensing all dairy premises operating in Victoria's dairy industry and approving and ensuring compliance with food safety programs. A person must not commence a dairy business unless that person holds a current and valid dairy industry licence issued by DFSA. The Dairy Act also recognises the Food Standards Code as set out above.

Businesses that are subject to the Dairy Act must not:

(i) commence or conduct business as a dairy farmer, dairy manufacturer, dairy food carrier or dairy distributor unless they hold a current and valid dairy industry licence in respect of the business. Where convicted of this offence, a person or business may be liable to fines equal to 120 penalty units under the *Monetary Units Act 2004* (Vic) ("**Monetary Units Act**") (1 penalty unit is AUD181.74 for the period from 1 July 2021 to 30 June 2022, with the penalty unit rate being indexed each financial year so that it is raised in line with inflation); and

(ii) sell, deliver or provide for human consumption dairy food anywhere in Victoria (unless to a licensed dairy manufacturing premise), which has not been treated as required under a Code of Practice (i.e. the Food Standards Code) or which has not been packed and sealed as required under a Code of Practice. Where convicted of this offence, a person or business may be liable to fines equal to 400 penalty units under the Monetary Units Act ((1 penalty unit is AUD181.74 for the period from 1 July 2021 to 30 June 2022, with the penalty unit rate being indexed each financial year so that it is raised in line with inflation).

4. Livestock Management Act 2000 (Vic) ("LMA")

The objectives of the LMA are to legislate standards relating to the management of livestock. The legislation recognises existing compliance arrangements demonstrating high livestock management standards and provide a mechanism for establishing co-regulatory arrangements. The LMA encourages the implementation of approved quality assurance programs and or equivalent compliance arrangements with the end goal of improving community understanding of livestock management standards with penalties for non-compliance. In addition, the LMA implements the nationally agreed standards relating to the aspects of livestock management and demonstrating that it has been met.

5. Water Act 1989 (Vic) ("Water Act")

The objective of the Water Act is to provide the legal framework for managing Victoria's water resources. The main purpose of the Water Act is to promote the equitable and efficient use of water resources and ensure their conservation and proper management to the benefit of the state of Victoria. In addition, there is an accompanying purpose of increased community involvement and accountability in conserving and managing of water resources in accordance with Victorian standards and values. The Water Act expresses clearly in section 1 its objective of balancing the interests of water use and access in present against the future. The various provisions in Water Act give effect to this intention and therefore become binding on conduct of its business in Victoria as it relates to the use of water.

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