# 4. DETAILS OF OUR IPO

## 4.1 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 as set out in Section 4.1.3 of this Prospectus, respectively.

Our IPO consists of the Institutional Offering and the Retail Offering, totalling up to 875,000,000 IPO Shares, representing approximately 35.0% of our enlarged number of issued Shares. In conjunction with our Listing, we had on [●], completed the Share Split which entails the subdivision of our existing Shares into 2,036,000,000 Shares to enhance the liquidity of our Shares at the time of our Listing.

### 4.1.1 Institutional Offering

The Institutional Offering involves the offering of up to 797,500,000 IPO Shares, representing 31.9% of our enlarged issued number of issued Shares, subject to the clawback and reallocation provisions as set out in Section 4.1.3 of this Prospectus, at the Institutional Price to be allocated in the following manner:

(i) 312,500,000 IPO Shares, representing 12.5% of our enlarged number of issued Shares to Bumiputera investors approved by the MITI; and

(ii) up to 485,000,000 IPO Shares, representing 19.4% of our enlarged number of issued Shares to the following persons:

(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 [●], our Company and our Selling Shareholder, have entered into a master cornerstone placement agreement with the Cornerstone Investors where the Cornerstone Investors have agreed to acquire from our Selling Shareholder, subject to the terms of the master cornerstone placement agreement and the individual cornerstone placement agreements, an aggregate number of [●] Shares, representing approximately [●]% of our enlarged issued share capital at the Final Retail Price. Save for the maximum limit of 5.0% of our enlarged issued share capital upon our Listing for the placement of our IPO Shares to the Cornerstone Investors who are persons connected to our placement agents, there is no maximum limit for offering to the other Cornerstone Investors.

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

### 4.1.2 Retail Offering

The Retail Offering involves the offering of 77,500,000 IPO Shares, representing 3.1% of our enlarged number of issued Shares, subject to the clawback and reallocation provisions as set out in Section 4.1.3 of this Prospectus, at the Retail Price to be allocated in the following manner:

**(i) Malaysian Public**

50,000,000 IPO Shares, representing 2.0% of our enlarged number of issued Shares, will be made available for application by the Malaysian Public by way of balloting, of which 25,000,000 IPO Shares will be set aside for application by Bumiputera investors.

**(ii) Eligible Persons**

27,500,000 IPO Shares (being Pink Form Allocations), representing 1.1% of our enlarged number of issued Shares, will be reserved for application by the Eligible Persons as follows:

| Eligible Persons | Number of Eligible Persons | Aggregate number of Pink Form Allocations |
|---|---|---|
| Eligible directors of our Group | 10 | 2,950,000 |
| Eligible employees | 1,260 | 12,278,000 |
| Persons who have contributed to the success of our Group | 229 | 12,272,000 |
| **Total** | **1,499** | **27,500,000** |

The allocation to our eligible Directors is based on, among others, their respective roles, responsibilities and anticipated contributions to our Group. The number of IPO Shares to be allocated to our eligible Directors is as follows:

| Eligible directors | Designation | Number of Pink Form Allocations |
|---|---|---|
| Tan Sri Dato' Sri Dr. Ismail Bin Haji Bakar | Non-Independent Non-Executive Chairman | 375,000 |
| Mohd Faris Adli Bin Shukery | Managing Director | 350,000 |
| Dato' Sr. Hisham Bin Jafrey | Non-Independent Non-Executive Director | 325,000 |
| Shamsul Anuar Bin Abdul Majid | Non-Independent Non-Executive Director | 400,000 |
| Abdullah Bin Abu Samah | Independent Non-Executive Director | 250,000 |
| Fawzi Bin Ahmad | Independent Non-Executive Director | 250,000 |
| Mohd Fazillah Bin Kamaruddin | Independent Non-Executive Director | 250,000 |
| Vinie Chong Pui Ling | Independent Non-Executive Director | 250,000 |
| Ong Li Lee | Independent Non-Executive Director | 250,000 |
| Norita Binti Ja'afar | Independent Non-Executive Director | 250,000 |
| **Total** | | **2,950,000** |

For information purposes, the allocation of IPO Shares under the Pink Form Allocations to the following directors takes into consideration their additional role in JCorp that has contributed to the success of our Group:

(i) Dato' Sr. Hisham Bin Jafrey, as the Independent Non-Executive Director of JCorp; and

(ii) Shamsul Anuar Bin Abdul Majid, as the Chief Investment Officer and a member of the management committee of JCorp, that is involved in decision making relating to the strategic plans of our Group.

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

(a) the eligible employee must be a full time and confirmed employee of our Group and on our Group's payroll; and

(b) the number of Issue Shares allocated to the eligible employees is based on their seniority, job grade, length of service, past performance and contributions to our Group.

**4. DETAILS OF OUR IPO (CONT'D)**

The number of IPO Shares to be allocated to our Key Senior Management is as follows:

| Key Senior Management | Designation | Number of Pink Form Allocations |
|---|---|---|
| Aziah Binti Ahmad | Chief Financial Officer | 204,000 |
| Mohamad Yami Bin Bakar | Head of Plantation | 184,000 |
| Amran Bin Zakaria | Head of Group Human Capital | 184,000 |
| Wan Adlin Bin Wan Mahmood | Head of Sustainability and Innovation | 140,000 |
| **Total** | | **712,000** |

The allocation to the persons who have contributed to the success of our Group (as approved by our Board) such as, among others, our business associates, customers, suppliers and employees of the JCorp Group who are part of the working team for our Listing shall be based on their length of business relationship with our Group and the level of support and contribution to the success of our Group.

A summary of our IPO Shares offered under the Retail Offering and Institutional Offering (subject to the clawback and reallocation provisions as set out in Section 4.1.3 of this Prospectus) is as follows:

| | **Offer for Sale** | | **Public Issue** | | **Total** | |
|---|---|---|---|---|---|---|
| | **No. of Shares ('000)** | **(1)%** | **No. of Shares ('000)** | **(1)%** | **No. of Shares ('000)** | **(1)%** |
| **Institutional Offering** | | | | | | |
| • Bumiputera investors approved by the MITI | 312,500 | 12.5 | - | - | 312,500 | 12.5 |
| • Malaysian and foreign institutional and selected investors | 98,500 | 3.9 | 386,500 | 15.5 | 485,000 | 19.4 |
| | 411,000 | 16.4 | 386,500 | 15.5 | 797,500 | 31.9 |
| **Retail Offering** | | | | | | |
| • Eligible Persons | - | - | 27,500 | 1.1 | 27,500 | 1.1 |
| • Malaysian Public (via balloting) | | | | | | |
| - Bumiputera | - | - | 25,000 | 1.0 | 25,000 | 1.0 |
| - Non-Bumiputera | - | - | 25,000 | 1.0 | 25,000 | 1.0 |
| | - | - | 77,500 | 3.1 | 77,500 | 3.1 |
| **Total** | **411,000** | **16.4** | **464,000** | **18.6** | **875,000** | **35.0** |

**Note:**

(1) Based on our enlarged total number of 2,500,000,000 Shares after our IPO.

The completion of the Retail Offering and the Institutional Offering are inter-conditional with each other. Our IPO is also subject to the public shareholding spread requirement under the Listing Requirements as set out in Section 4.1.7 of this Prospectus.

### 4.1.3 Clawback and reallocation

The Institutional Offering and 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 under the Institutional Offering are not fully taken up, our IPO Shares which are not taken up may be allocated to other Malaysian institutional investors under the Institutional Offering. After such reallocation, if the MITI tranche under the Institutional Offering is still not fully taken up, and there is an over-subscription for our IPO Shares by Bumiputera public investors under the Retail Offering, our IPO Shares will be clawed back from the remaining MITI tranche and allocated to the Bumiputera public investors under the Retail Offering, and thereafter to the Malaysian Public under Retail Offering;

(ii) if our IPO Shares allocated to the Eligible Persons under the Retail Offering are under-subscribed, such IPO 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 an 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 items (i) and (ii) above, if there is an over-subscription in the Institutional Offering and an under-subscription in the Retail Offering, our IPO 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 IPO Shares not taken up by the Eligible Persons ("**Excess IPO Shares**") will be made available for application by the Eligible Persons who have applied for excess on top of 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 the Eligible Persons who have applied for the Excess IPO Shares based on the number of Excess IPO Shares applied for; and

(b) secondly, to minimise odd lots.

Our Board reserves the right to allot Excess IPO 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) and (b) above is achieved. Our Board also reserves the right to accept or reject any Excess IPO Shares application, in full or in part, without assigning any reason.

Once completed, the steps involving items (a) and (b) above will not be repeated. Should there be any balance of Excess IPO Shares thereafter, such balance will be made available for clawback and reallocation as described in (i) above. Any IPO 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.

### 4.1.4 Classes of shares and ranking

As at the date of this Prospectus, we only have 1 class of shares, being ordinary shares.

Our IPO Shares will, upon allotment and issue, rank equally in all respects with our existing Shares including voting rights, and will be entitled to all rights and dividends and other distributions that may be declared, paid or made after the date of allotment of the IPO 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 or credited as paid on the Shares held by them, be entitled to share the profits paid out by us in the form of dividends and other distributions. Similarly, if we are 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 our general meeting, each shareholder shall be entitled to vote in person, by proxy, by attorney or by other duly authorised representative. Subject to the Listing Requirements, any resolution put to vote at the meeting shall be decided by way of poll. On a poll, each shareholder present either in person or by proxy, attorney or by other duly authorised representative, shall have 1 vote for every Share held or represented. A proxy may but need not be a member of our Company.

### 4.1.5 Share capital

| | **No. of Shares ('000)** | **RM'000** |
|---|---|---|
| As at the LPD | 1,329,363 | 1,329,363 |
| After the Capitalisation | 1,502,000 | 1,502,000 |
| After the Share Split | 2,036,000 | 1,502,000 |
| New Shares to be issued under the Public Issue | 464,000 | [(1)][●] |
| **Enlarged issued share capital upon Listing** | **2,500,000** | **[●]** |

**Note:**

(1) After deducting the estimated listing expenses of approximately RM[●] million which is directly attributable to the issuance of IPO Shares and offset against our share capital.

The Offer for Sale would not have any effect on our issued share capital as the Offer Shares are our existing Shares prior to our IPO.

### 4.1.6 Priority of the offering

In the event the demand for our IPO Shares is less than 875,000,000 IPO Shares, the Public Issue shall take precedence over the Offer for Sale. The demand for our IPO Shares shall be firstly satisfied by the Issue Shares under the Public Issue and following that, any excess demand will be satisfied by the Offer Shares under the Offer for Sale.

### 4.1.7 Minimum subscription level

There is no minimum subscription level in terms of the amount of proceeds to be raised from our IPO. However, in order to comply with the public shareholding spread requirements of the Listing Requirements, the minimum subscription level in terms of the number of Shares will be the number of Shares required to be held by public shareholders. Under the Listing Requirements, we are required to have at least 25.0% of the total number of our Shares in the hands of a minimum number of 1,000 public shareholders, each holding not less than 100 Shares at the point of our Listing.

If the public shareholding spread requirement is not met, we may not be able to proceed with our Listing. In such event, monies paid in respect of all applications for our IPO Shares will be returned in full without interest. If such monies are not returned in full within 14 days after we become liable to do so, the provision of Section 243(2) of the CMSA shall apply whereby in addition to our liability, our officers shall be jointly and severally liable to repay such monies with interest at the rate of 10% per annum or at such other rate as may be prescribed by the SC from the expiration of that period. Please refer to Section 9.3.6 of this Prospectus for details in the event there is a delay in or failure of our Listing.

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## 4.2 SELLING SHAREHOLDER

Our Selling Shareholder will offer 411,000,000 Offer Shares, representing approximately 20.2% of our existing total number of Shares as at the LPD and approximately 16.4% of our enlarged number of issued Shares, under the Institutional Offering. Details of our Selling Shareholder are as follows:

| | | Shareholdings after the Capitalisation and Share Split / Before our IPO | | Offer for Sale | | | Shareholdings after our IPO | |
|---|---|---|---|---|---|---|---|---|
| **Name/Address** | **Nature of relationship** | **No. of Shares ('000)** | **%** | **No. of Shares ('000)** | **(1)%** | **(2)%** | **No. of Shares ('000)** | **(2)%** |
| **Kulim**<br><br>Level 11, Menara KOMTAR<br>Johor Bahru City Centre<br>80000 Johor Bahru<br>Johor, Malaysia | Promoter and Substantial Shareholder | 2,036,000 | 100.0 | 411,000 | 20.2 | 16.4 | 1,625,000 | 65.0 |

**Notes:**

(1) Based on our total number of 2,036,000,000 Shares after the Capitalisation and Share Split but before our IPO.

(2) Based on our enlarged total number of 2,500,000,000 Shares after our IPO.

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

### 4.3.1 Retail Price

The Retail Price of RM[●] per IPO Share was determined and agreed upon between our Directors and the Selling Shareholder in consultation with the Joint Global Coordinators, after taking into consideration the following factors:

(i) our Group's EPS of approximately 19.8 sen based on our audited consolidated PAT attributable to owners of our Group of approximately RM495.6 million for the FYE 2022 and our enlarged total number of 2,500,000,000 Shares after our IPO, which translates into a price-to-earnings multiple of approximately [●] times;

(ii) pro forma consolidated NA per Share of approximately RM[●] as at 31 July 2023 based on our enlarged total number of 2,500,000,000 Shares after our IPO and after taking into consideration the use of proceeds from the Public Issue;

(iii) our competitive strengths as set out in Section 7.2 of this Prospectus;

(iv) our future plans and strategies as set out in Section 7.3 of this Prospectus;

(v) our historical financial performance as set out in Section 12 of this Prospectus; and

(vi) prevailing market conditions which include, among others, market performance of key global indices and companies which are in businesses similar to ours listed on an ASEAN stock exchange and Bursa Securities, current market trends and investors' sentiments.

The Final Retail Price will be determined after the Institutional Price is determined on the Price Determination Date and will be the lower of the Retail Price or the Institutional Price. 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. Further details on the refund mechanism are set out in Section 4.3.3 of this Prospectus.

You should be aware that the Final Retail Price will not, in any event, be higher than the Retail Price of RM[●] per IPO Share.

The Final Retail Price and the Institutional Price are expected to be announced within 2 Market Days from the Price Determination Date on the website of Bursa Malaysia Berhad. 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.

### 4.3.2 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 IPO Shares they would be prepared to acquire and the price they would be prepared to pay for our IPO Shares under the Institutional Offering. This bookbuilding process commenced on [●] and will end on [●]. Upon completion of the bookbuilding process, the Institutional Price will be fixed by our Directors and the Selling Shareholder in consultation with the Joint Global Coordinators on the Price Determination Date.

### 4.3.3 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; (ii) by crediting into the accounts of the successful applicants with the Participating Financial Institution, for applications made via the Electronic Share Application; or (iii) 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.

### 4.3.4 Expected market capitalisation

Based on the Retail Price and enlarged number of 2,500,000,000 Shares after our IPO, our total market capitalisation upon our Listing would be approximately RM[●] billion.

Prior to our IPO, there has been no trading market for our Shares within or outside Malaysia. You should also note that the market price of our Shares upon our Listing is subject to market forces and other uncertainties. You are reminded to consider carefully the risk factors as set out in Section 9 of this Prospectus.

## 4.4 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 31 July 2023 and after adjusting for the Capitalisation and Share Split was RM1.05 per Share based on our total number of 2,036,000 Shares after the Share Split.

After taking into account our enlarged total number of 2,500,000,000 Shares after our IPO and the use of proceeds from the Public Issue, our pro forma consolidated NA per Share as at 31 July 2023 would be RM[●] per Share. This represents an immediate dilution in NA per Share of RM[●] or approximately [●]% to our existing shareholder as well as an immediate increase in NA per Share of RM[●] or approximately [●]% 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 | [●] |
| Pro forma consolidated NA per Share as at 31 July 2023 and after the Capitalisation and Share Split | 1.05 |
| Pro forma consolidated NA per Share as at 31 July 2023, after our IPO and the use of proceeds from the Public Issue | [●] |
| Dilution in pro forma consolidated NA per Share to our existing shareholder | [●] |
| Increase in pro forma consolidated NA per Share to the retail, institutional and selected investors | [●] |
| Increase in pro forma consolidated NA per Share to the retail, institutional and selected investors as a percentage of the Retail Price/Institutional Price | [●]% |

Save for the issuance of new Shares to Kulim under the Pre-Listing Restructuring and Capitalisation, none of our Substantial Shareholders, Directors, Key Senior Management or persons connected to them have acquired Shares in our Company, or which have the right to acquire, in the past 3 years up to the LPD.

## 4.5 USE OF PROCEEDS

We expect to use the gross proceeds from the Public Issue amounting to approximately RM[●] million in the following manner:

| **Details** | **RM'000** | **%** | **Estimated time frame for use of proceeds from the date of our Listing** |
|---|---|---|---|
| Capital expenditure | [●] | [●] | Within 36 months |
| Repayment of bank borrowings | [●] | [●] | Within 6 months |
| Working capital | [●] | [●] | Within 12 months |
| Estimated listing expenses | [●] | [●] | Within 1 month |
| **Total** | [●] | **100.0** | |

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

### 4.5.1 Capital expenditure

We have earmarked RM[●] million, representing approximately [●]% of the gross proceeds from the Public Issue, for our capital expenditure to construct an integrated sustainable palm oil complex and replanting activities as follows:

| **Details** | **RM'000** | **%** |
|---|---|---|
| Construction of an integrated sustainable palm oil complex | [●] | [●] |
| Replanting activities | [●] | [●] |
| **Total** | [●] | **100.0** |

**(a) Construction of an integrated sustainable palm oil complex**

As part of our strategy to venture into the downstream segment of the plantation value chain, we have allocated RM[●] million of the gross proceeds from the Public Issue to construct an integrated sustainable palm oil complex.

This complex, which is a large-scale facility that combines several stages of the palm oil production process in a single location, would enable us to improve our overall efficiency and cost effectiveness in terms of reduced transportation costs, diversify our product offerings and enhance our competitiveness in the plantation market in Johor. The construction of the integrated sustainable palm oil complex which comprises a POM, a downstream refinery, a kernel crushing plant, a bio-energy power plant as well as an animal feedmill in a single location allows us to integrate along the palm oil value chain involving our estate operations, mill operations, renewable energy processing and downstream refinery in view of the close proximity of these facilities with our estate. Our diversification in our product offerings to include specialty oil and fats is also expected to enhance our position as a fully integrated oil palm producer.

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## 4. DETAILS OF OUR IPO (CONT'D)

Further details of the integrated sustainable palm oil complex are set out below:

| Description | Function | Estimated production capacity | Estimated cost (RM million) |
|---|---|---|---|
| Downstream refinery | To process CPO into specialty oil and fats | 150,000 MT per annum | 180.2 |
| POM | To process FFB into CPO and PK | 90 MT per hour | 127.1 |
| Bio-energy power plant | To produce renewable energy from the by-products of POM | 12,000 KW per hour | 91.3 |
| Kernel crushing plant | To crush and press PK for extraction and processing into crude palm kernel oil | 60,000 MT per annum | 15.5 |
| Animal feedmill | To produce animal feeds from the by-products of POM and refinery | 39,000 MT per annum | 15.5 |
| | | | **429.6** |

The complex is intended to be constructed on Pasir Logok Estate after taking into consideration the following:

(i) socio-economic benefits in terms of the development of the local community in areas surrounding the complex, creation of employment opportunities, improvement of infrastructures and economic growth;

(ii) the availability of sizeable land area at Pasir Logok Estate to cater for construction of the complex with an estimated built-up area of approximately 30 Ha;

(iii) the location of Pasir Logok Estate which is within close proximity to Fuji Oil Asia Pte Ltd's oil and fats processing plant in Pasir Gudang, Johor. This allows us to benefit from the logistics arrangement between both facilities;

(iv) the location of Pasir Logok Estate is not prone to flood. Constructing the complex on a non-flood-prone area eliminates any disruption to our business and operations as a result of flooding and will ensure smooth operation of the complex; and

(v) the certainty for the renewal of rental agreement by JCorp or Kulim in respect of the Malay Reserved Estates (including Pasir Logok Estate) as prescribed under the terms of the Tenancy Agreement and the letter of confirmation from JCorp and Kulim dated 13 September 2023. Please refer to Section 6.1.3(vi) of this Prospectus for further details.

We estimate the total cost for the construction of the new integrated sustainable palm oil complex to be approximately RM429.6 million.

We had identified Fuji Oil Asia Pte Ltd as our partner for our venture into the downstream plantation business. In this connection, we had on 25 January 2024, entered into the Shareholders' Agreement with Fuji Oil Asia Pte Ltd for the purpose of regulating the rights and obligations of the parties as shareholders of [JPG Refinery]. Our Company and Fuji Oil Asia Pte Ltd will hold 51% and 49% respectively in the issued share capital of [JPG Refinery]. Please refer to Section 14.6(xi) for further details of the Shareholders' Agreement.

Through [JPG Refinery], we will fund 51% of the estimated cost for the downstream refinery amounting to RM[●] million, while the remaining RM[●] million will be funded by Fuji Oil Asia Pte Ltd. The total cost for setting up the integrated sustainable palm oil complex to be borne by us is approximately RM[●] million, out of which RM[●] million will be funded via proceeds from the Public Issue, while the remaining RM[●] million will be funded through internally generated funds and/or external financing. As at the LPD, no amount has been incurred towards construction of this project and we have not identified the specific buildings within the integrated sustainable palm oil complex which will be funded by the proceeds from the Public Issue of RM[●] million.

We have completed the preparation of conceptual designs and preliminary assessment on feasibility study in June 2023. The construction of the integrated sustainable palm oil complex is estimated to take approximately 30 months as summarised below:

| Key events | | Estimated duration | Time frame |
|---|---|---|---|
| (i) | Appointment of consultants to prepare detailed designs | 3 months | By the 1st quarter of 2024 |
| (ii) | Receipt of all approvals from the relevant authorities(1) and commencement of tender process for the appointment of the relevant parties/contractors | 6 months | By the 3rd quarter of 2024 |
| (iii) | Completion of construction works | 18 months | By the 1st quarter of 2026 |
| (iv) | Commissioning of complex | 3 months | By the 2nd quarter of 2026 |

**Note:**

(1) Comprises, among others, Department of Environment, Economic Planning Unit, Malaysia Investment Development Authority, MPOB and Federal Department of Town and Country Planning.

As at the LPD, we are in the midst of appointing the consultants for the preparation of detailed designs of the complex which is expected to be completed by the 1st quarter of 2024. The complex is expected to occupy an approximate built-up area of 30 Ha and we plan to commence construction after obtaining the relevant approvals from the authorities. Subject to the issuance of CCC, the complex is expected to become operational by the 2nd quarter of 2026.

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**(b) Replanting activities**

We have allocated approximately RM[●] million of the gross proceeds from the Public Issue for our annual replanting programme for our plantation estates which will cover an area of approximately 4,924 Ha for the period from 2024 to 2026. Replanting will be carried out with high-yielding planting materials using various clonal and DxP seedlings. We will focus our replanting efforts on 16 out of 23 of our plantation estates with low-yield oil palms that have surpassed age of 25 years. Please refer to the table below for our estates which have been identified for replanting using proceeds from the Public Issue:

| | | Replanting area (Ha) | | | |
|---|---|---|---|---|---|
| **No.** | **Estate** | **2024** | **2025** | **2026** | **Total Ha** |
| 1. | Tereh Utara Estate | 273 | 342 | 209 | 824 |
| 2. | Tereh Selatan Estate | - | 198 | 240 | 438 |
| 3. | Sungai Tawing Estate | 95 | 126 | 72 | 293 |
| 4. | Mutiara Estate | 256 | 259 | - | 515 |
| 5. | Rengam Estate | 222 | - | - | 222 |
| 6. | Palong Estate | 63 | - | - | 63 |
| 7. | Labis Bahru Estate | 249 | - | - | 249 |
| 8. | Basir Ismail Estate | 115 | - | 136 | 251 |
| 9. | Bukit Layang Estate | - | - | 148 | 148 |
| 10. | Sedenak Estate | 258 | 336 | 94 | 688 |
| 11. | Siang Estate | 199 | - | - | 199 |
| 12. | Sindora Estate | 257 | - | - | 257 |
| 13. | Pasir Panjang Estate | 291 | - | - | 291 |
| 14. | Mungka Estate | - | 134 | 83 | 217 |
| 15. | Sepang Loi Estate | - | 171 | - | 171 |
| 16. | Pasir Logok Estate* | - | 98 | - | 98 |
| | **Total** | **2,278** | **1,664** | **982** | **4,924** |

**Note:**

* Rented estate.

Replanting is an essential activity for oil palm plantations as it ensures the sustainability of our plantation's productivity in the long term, whereby old trees will be replaced with new and improved planting materials, resulting in higher yields and improved quality of the crop. The costs involved in replanting mainly relate to ground clearing, terracing, replanting, planting of ground cover, planting materials and fertiliser management for our immature plantation areas.

Our replanting programme entails an annual replanting target of up to 4.0% of our total planted area. As at the LPD, oil palms with age exceeding 25 years covered an area of 1,209 Ha or approximately 2.2% of our total planted area. For the FYE 2020, FYE 2021 and FYE 2022, we had replanted a total area of 1,238 Ha, 1,122 Ha and 1,216 Ha respectively with the replanting cost of approximately RM35.3 million, RM27.6 million and RM28.6 million respectively.

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The breakdown of the use of proceeds from the Public Issue amounting to approximately RM[●] million for our replanting activities are as follows:

| Details | RM'000 |
|---|---|
| Seeds and plants | [●] |
| Land preparation cost(1) | [●] |
| Replanting cost(2) | [●] |
| Construction of infrastructures(3) | [●] |
| Soil conservation cost(4) | [●] |
| **Total** | [●] |

**Notes:**

(1) This includes costs related to, among others, land clearing and surveying, and tree felling.

(2) This includes costs related to, among others, lining process, plant holding and planting.

(3) This includes costs related to the construction of, among others, road, bridges, field drain and harvester paths.

(4) This includes costs related to, among others, terracing, cover plants and platform construction.

In the event the allocated proceeds are insufficient for our replanting activities for the period from 2024 to 2026, any shortfall will be funded via internally generated funds and/or external financing.

### 4.5.2 Repayment of bank borrowings

As at the LPD, our borrowings stood at approximately RM1.6 billion and we intend to use approximately RM[●] million of the gross proceeds from the Public Issue to pare down our existing borrowings as set out below:

**(a) STF-i Facility of up to RM1.5 billion**

We intend to use approximately RM[●] million of the gross proceeds from the Public Issue to repay our STF-i Facility that was jointly obtained by Kulim and our Company from CIMB Islamic Bank Berhad (as the Sole Coordinator, Mandated Lead Arranger and Bookrunner), RHB Islamic Bank Berhad and Bank Islam Malaysia Berhad.

Between December 2019 and February 2020, we drew down RM546.5 million to refinance our existing borrowings and for our working capital requirements, while the remaining RM953.5 million was drawn down by Kulim to refinance its borrowings. In conjunction with the Pre-Listing Restructuring, the outstanding liability owed by Kulim under the STF-i Facility amounting to approximately RM865.3 million was novated to our Company as part of our purchase of the assets and liabilities of Kulim's oil palm plantation operations pursuant to the terms of the business transfer agreement dated 27 September 2022 entered into between our Company and Kulim referred to in Section 14.6(ii) of this Prospectus. The novated liability was netted off against the NBV of the assets of Kulim's oil palm plantation operations in arriving at the purchase consideration paid by us for Kulim's oil palm plantation operations under the Pre-Listing Restructuring. Upon completion of the Pre-Listing Restructuring, we are the sole borrower of the STF-i Facility and the outstanding amount owing by us under the said facility stood at approximately RM1.2 billion as at the LPD.

The above repayment amount is arrived at based on the mandatory prepayment terms as set out in the facility agreement when Kulim and our Company obtained the facility, that if we undertake an initial public offering, 25.0% of the gross proceeds from the Public Issue shall be utilised towards the repayment of this facility.

This facility will mature in December 2031. The interest rate of this facility is cost of funds plus 1.0% per annum, which translates to an effective interest rate of approximately 4.9% per annum as at the LPD. As at the LPD, the outstanding amount of this borrowing is approximately RM1.2 billion and we anticipate annual interest savings of approximately RM[●] million based on the effective interest rate of this facility.

**(b) TF-i Facility of up to RM0.5 billion**

We intend to use RM[●] million of the gross proceeds from the Public Issue to repay our TF-i Facility of up to RM0.5 billion, which was jointly obtained by Kulim and our Company from CIMB Islamic Bank Berhad.

In December 2017, our Company and Kulim drew down RM360.0 million and RM140.0 million respectively from the said facility to reimburse the funds which were used by Kulim for the payment of the selective capital reduction to its entitled shareholders pursuant to the Privatisation of Kulim. In conjunction with the Pre-Listing Restructuring, the outstanding liability owed by Kulim under the TF-i Facility amounting to approximately RM108.9 million was novated to our Company as part of our purchase of the assets and liabilities of Kulim's oil palm plantation operations pursuant to the terms of the business transfer agreement dated 27 September 2022 entered into between our Company and Kulim as referred to in Section 14.6(ii) of this Prospectus. The novated liability was netted off against the NBV of the assets of Kulim's oil palm plantation operations in arriving at the purchase consideration paid by us for Kulim's oil palm plantation operations under the Pre-Listing Restructuring.

Subsequently, on 29 December 2022, we mutually agreed with Kulim for the latter to retain a portion of the outstanding liability owed by Kulim under the TF-i Facility amounting to RM11.2 million, resulting in an equivalent sum being owed by us to Kulim. As at the LPD, the outstanding amount owing by us and Kulim under the TF-i Facility stood at RM0.4 billion and RM11.2 million respectively.

The above repayment amount is arrived at based on the mandatory prepayment terms as set out in the facility agreements when we obtained the facility that if we undertake an initial public offering, RM[●] million of the gross proceeds from the Public Issue shall be utilised towards the repayment of this facility.

This facility will mature in December 2026. The interest rate of this facility is cost of funds plus 1.1% per annum, which translates to an effective interest rate of approximately 4.9% per annum as at the LPD. As at the LPD, the outstanding amount of this borrowing is approximately RM0.4 billion and we anticipate annual interest savings of approximately RM[●] million based on the effective interest rate of this facility.

### 4.5.3 Working capital

We intend to use RM[●] million of the gross proceeds from the Public Issue for our working capital requirements and have allocated the entire amount for the purchase of FFB from smallholders, traders and third-party plantation estates that we manage. Purchase of FFB made up approximately 36.2%, 40.5%, 34.9% and 28.4% of our total cost of sales for the Financial Years/Period Under Review respectively.

We expect our requirement for working capital to increase as we continuously seek to increase our CPO production through acquiring, renting or managing plantation estates. The working capital allocation is expected to enhance our liquidity and cash flow position to support our day-to-day operations.

### 4.5.4 Estimated listing expenses

We estimate that RM[●] million of the gross proceeds from the Public Issue will be used for our listing expenses as follows:

| **Details** | **RM'000** |
|---|---|
| Professional fees[(1)] | [●] |
| Fees to authorities | [●] |
| Underwriting commission, placement fees and brokerage fees[(2)] | [●] |
| Miscellaneous expenses and contingencies[(3)] | [●] |
| **Total** | **[●]** |

**Notes:**

(1) This includes professional and advisory fees for, among others, Principal Adviser, Solicitors, Reporting Accountants and Independent Market Researcher.

(2) Please refer to Section 4.6 of this Prospectus for further details.

(3) This includes any other incidental charges or related expenses in connection with our IPO, such as translation services, printing and advertising expenses, applicable service tax and IPO roadshow expenses.

The actual proceeds accruing to us 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 purposes. Conversely, if the actual proceeds are lower than budgeted above, the proceeds shall be allocated in accordance with the following order of priority:

(i) firstly, to repay our bank borrowings as disclosed in Section 4.5.2 of this Prospectus;

(ii) secondly, for our capital expenditure as disclosed in Section 4.5.1 of this Prospectus;

(iii) thirdly, for our listing expenses as disclosed in Section 4.5.4 of this Prospectus; and

(iv) lastly, for our working capital requirements as disclosed in Section 4.5.3 of this Prospectus.

Any shortfall to any of the above allocated proceeds will be funded through internally generated funds and/or external financing.

Pending the eventual use of the gross proceeds from the Public Issue for the above intended purposes, the funds will be placed in short-term deposits with licensed Islamic financial institutions or short-term money market instruments.

There is no minimum subscription to be raised from our IPO. We will not receive any proceeds from the Offer for Sale. The Offer for Sale will raise gross proceeds of approximately RM[●] million which will accrue entirely to our Selling Shareholder. Our Selling Shareholder will be bearing its own placement fee in respect of our IPO.

## 4.6 BROKERAGE FEE, UNDERWRITING COMMISSION AND PLACEMENT FEE

### 4.6.1 Brokerage fee

We and the Selling Shareholder will pay brokerage in respect of our IPO Shares under the Retail Offering at the rate of 1.0% (exclusive of any 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 Joint Bookrunners are entitled to charge brokerage commission to successful applicants under the Institutional Offering. For the avoidance of doubt, such brokerage commission will not be borne by us nor the Selling Shareholder.

### 4.6.2 Underwriting commission

As stipulated in the Retail Underwriting Agreement, we will pay the Managing Underwriter and Joint Underwriters an underwriting commission of 1.5% (exclusive of applicable tax) of the Retail Price multiplied by the total number of IPO Shares underwritten under the Retail Offering.

### 4.6.3 Placement fee

We and the Selling Shareholder will pay the Placement Manager a placement fee of 1.5% (exclusive of applicable tax) and may pay a discretionary fee of up to 0.5% (exclusive of applicable tax) of the Institutional Price multiplied by the number of IPO Shares placed out to Malaysian and foreign institutional and selected investors under the Institutional Offering in accordance with the terms of the Placement Agreement. The discretionary fee of up to 0.5% is an additional placement fee that may be paid by us or the Selling Shareholder as incentive to the Placement Manager at our respective discretion.

## 4.7 DETAILS OF THE UNDERWRITING, PLACEMENT AND LOCK-UP ARRANGEMENT

### 4.7.1 Underwriting

We and the Selling Shareholder have entered into the Retail Underwriting Agreement with the Managing Underwriter and the Joint Underwriters to jointly underwrite 77,500,000 IPO Shares under the Retail Offering, subject to the clawback and reallocation provisions as set out in Section 4.1.3 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 4.6.2 of this Prospectus, while the salient terms of the Retail Underwriting Agreement are as follows:

[●]

### 4.7.2 Placement

We and the Selling Shareholder expect to enter into the Placement Agreement with the Placement Manager in relation to the placement of up to 1,012,500,000 IPO Shares under the Institutional Offering, subject to the clawback and reallocation provisions as set out in Section 4.1.3 of this Prospectus, respectively. We and the Selling Shareholder will be requested, on a several basis, to give various representations, warranties and undertakings, and to indemnify the Placement Manager against certain liabilities in connection with our IPO.

### 4.7.3 Lock-up arrangement

[●]