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

(i) Institutional Offering

The Institutional Offering involves the offering of up to 797,500,000 IPO Shares, representing 31.9% 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 Institutional Price to be allocated in the following manner:

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

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

- Malaysian institutional and selected investors (other than Bumiputera investors approved by the MITI); and
- foreign institutional and selected investors outside the United States in reliance on Regulation S.

(ii) 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:

(a) 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 Bumiputera investors; and

(b) 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.

(iii) Expected market capitalisation

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

(iv) Moratorium on our Shares

In accordance with the Equity Guidelines, the entire shareholding in our Company held by Kulim after our IPO is subject to moratorium for 6 months from the date of our Listing. In addition, the direct and indirect shareholders of Kulim, namely JCorp and JCorp Capital, have also undertaken that they will not sell, transfer or assign any of their shareholdings in Kulim for 6 months from the date of our Listing. JCorp has further undertaken not to sell, transfer or assign any of their shareholdings in JCorp Capital for 6 months from the date of our Listing.

Please refer to Sections 2.2 and 4 of this Prospectus for further details of our moratorium and IPO respectively.

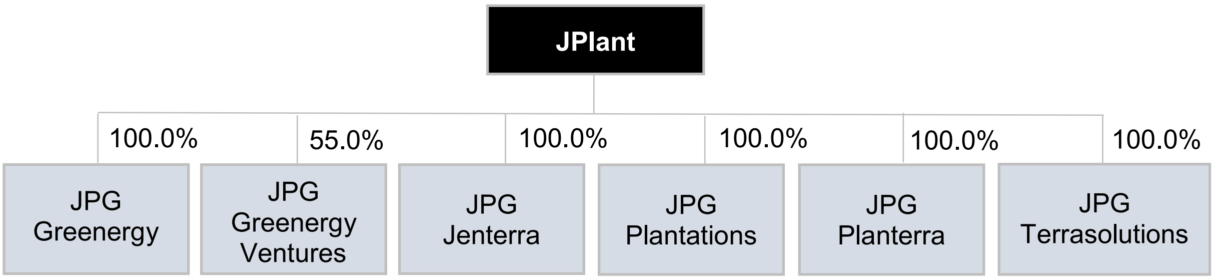
3.2 OUR BUSINESS

We were incorporated in Malaysia under the Companies Act 1965 on 21 March 1978 as a private limited company under the name of Yule Catto Plantations Sdn Bhd and are deemed registered under the Act. We changed our name to Mahamurni Plantations Sdn Bhd on 12 May 1993 and subsequently to Johor Plantations Sdn Bhd on 12 February 2023. In order to facilitate our Listing, we converted into a public limited company on 20 February 2023 and changed our name to Johor Plantations Group Berhad on 27 November 2023.

As at the LPD, the principal activities of our Company and our subsidiaries are as follows:

Company	Principal activities
JPlant	Production of palm oil and palm kernels
<u>Subsidiaries</u>	
JPG Greenergy	Production of biomethane
JPG Greenergy Ventures	Production of biomethane
JPG Jenterra	Dealer in agricultural machinery and parts
JPG Plantations	Production of palm oil and palm kernels
JPG Planterra	Sales of palm nursery and other plantation products and services
JPG Terrasolutions	Provision of training and safety-related services, and supply of safety products

Our corporate structure as at the LPD is as follows:



We are an upstream oil palm plantation company operating predominantly in Johor, Malaysia, and in connection with our IPO, we have plans to enter into the downstream plantation business. We primarily own, manage, and cultivate oil palms and harvest FFB produced on the plantation estates that we own or rent. As at the LPD, we operate 23 plantation estates, consisting of 22 plantation estates in Johor and a plantation estate in Pahang, with a total landbank of 59,860 Ha and a total oil palm planted area of 55,982 Ha, representing approximately 93.5% of the total land area of our plantation estates.

We rent the Malay Reserved Estates and the Kuala Kabong Estate from JCorp. We also rent 486 Ha of the REM Estate (approximately 18.1% of the total land area of the REM Estate), of which 270 Ha is rented from Johor Land and 216 Ha is rented from Kulim. In a letter dated 20 November 2023, Johor Land expressed its intention to terminate the rental arrangement in respect of 41 Ha of the REM Estate. This would reduce the total REM Estate land area that we rent from Johor Land to 229 Ha in total with effect from 15 December 2023.

We also manage 3 third-party plantation estates with total land area of 1,549 Ha. We generate management fee income and purchase all FFB harvested from these managed estates. We own 5 POMs that are strategically located within close proximity to most of our plantation estates where we process FFB to produce CPO and PK. We sell our CPO to third-party downstream refineries in Malaysia for further processing into edible oils or oleochemical products. We sell our PK to third-party PK crushing plants in Malaysia to produce PK products.

In addition to our core business in the plantation segment, we are also involved in:

(i) trading of agricultural machineries and parts for plantation use;

(ii) selling of germinated seeds that we develop through plant breeding, ornamental plants, and biofertilisers, and providing related services, such as landscaping;

(iii) providing training and advisory services relating to occupational safety and health; and

(iv) generating and supplying renewable energy, in particular, biomethane gas that is generated from our palm oil waste.

Please refer to Sections 6 and 7 of this Prospectus for further details of our Group and business.

3.3 COMPETITIVE STRENGTHS

Our competitive strengths are as follows:

(i) We are regionally focused, with a large existing landbank in Johor and a strong operational track record

We are well-positioned to expand our presence in Johor as opportunities arise, and increase production due to our existing size and scale and extensive industry experience focused primarily in Johor. The vast majority of our estates are located in Johor, where our landbank accounts for approximately 8.0% of the planted area and mature area, and approximately 13.6% of the estate area in Johor, according to the IMR Report. Our oil palms have a favourable age profile that we actively manage through replanting and land acquisition or rental, which we believe will position us well to sustain and expand production.

In addition, our regionally-focused operations have consistently outperformed the industry average measured across our key performance indicators during the Financial Years/Period Under Review. Our continued efforts to mechanise and digitise our operations have contributed to better cost management and productivity, and reduced reliance on manual labour. We believe that our successful track record, deep expertise, and strong reputation will enable us to seize opportunities to expand our plantation area and sourcing of RSPO-certified FFB from third parties, which in turn will enable us to sustain and expand our production.

(ii) We seek to adhere to sustainable plantation practices and produce sustainable palm oil products

We believe that our investments in, and focus on, production of more sustainable and traceable palm oil products positions us well to serve the growing demand as more of our customers and their end customers prioritise higher-quality and more socially conscious palm oil products. We have become a proven and trusted partner for our customers and their end customers due to our ability to consistently produce CPO that is suitable for use in international markets.

(iii) We have strong brand recognition and foundational support from our association with our Promoters, namely JCorp and Kulim

We are an indirect subsidiary of JCorp, a widely recognised Malaysian state-owned company, with significant involvement in key business sectors including agriculture, wellness and healthcare, food and beverage, as well as real estate and infrastructure. In particular, JCorp has a long history in the Malaysian agriculture sector and the plantation industry. Our parent company, Kulim, that has long-standing reputation can be traced to its roots in 1933 when Kulim Rubber Plantations Limited was incorporated in the United Kingdom. In 1976, the Johor State Economic Development Coproration (now known as JCorp) became a shareholder of Kulim.

As part of the JCorp-backed Kulim group, we benefit from Kulim's and JCorp's industry reputation, both with customers, suppliers, financiers, investors and other business partners. Taking into account Kulim's presence in the plantations business prior to the Pre-Listing Restructuring, we are one of the most established and experienced upstream oil palm plantation companies in Malaysia.

(iv) We are well-positioned to benefit from strong palm oil fundamentals and demand growth trends

Demand for palm oil is forecasted to grow at a faster rate than supply, which is being held back by an inability to expand oil palm planting area, until 2032 according to the IMR Report. From 2032 onwards, the growth in supply is expected to be slightly faster than demand as higher soybean oil supplies remove some of the pressure from palm oil and replanting helps to increase production, but stocks are expected to remain tight.

We believe that trends of increasing demand for palm oil products, coupled with slowing growth rates of production, will help to drive demand for our products and future revenue growth.

(v) Our integrated business model allows us to leverage and diversify along the palm oil value chain

We have established an integrated business model that operates across the upstream of the palm oil value chain. Integration along the palm oil value chain provides us with greater control over the supply chain and production process. This additional control promotes an increase in the quality of our products. It also enables us to improve efficiency and reduce costs by leveraging synergies along the value chain. Given the scale of our integrated upstream operations, we are well-positioned to enter into the downstream palm oil segment in the future. Please refer to Section 7.3.4 of this Prospectus for further details of our plans to enter the downstream plantation business.

(vi) We have an experienced and committed research and development unit

We invest in research and development initiatives to establish good agricultural practices that help to increase our yield and productivity. For example, our in-house research and development unit has collaborated with MPOB to develop new oil palm clones. After 7 years of research, a jointly developed Clone P325 was officially recognised as an "elite clone" (a planting material of choice) producing an average FFB of 30 MT per Ha a year, an estimated oil extraction rate of 28.1%, and CPO of 8.5 MT per Ha a year. In recognition of its superiority, the clone won the Malaysian Innovative Product Gold Award at the International Invention, Innovation and Technology Exhibition 2020.

(vii) Our Managing Director and Key Senior Management have extensive experience

We are led by our experienced Managing Director and supported by our Key Senior Management, each of whom has substantial knowledge and exposure in the oil palm plantation industry. Our leadership team has also spent a significant part of their careers serving in leadership positions in Kulim prior to the Pre-Listing Restructuring and have been contributing to the growth and success of our plantation business. In addition, each of them possesses different functional expertise such as operations, sales and marketing, engineering, finance and accounting, and human resource. These complementary skills have been critical to our management efficiency.

Please refer to Section 7.2 of this Prospectus for further details of our competitive strengths.

3.4 FUTURE PLANS AND STRATEGIES

Our future plans and strategies are as follows:

(i) We intend to increase CPO production output

We intend to increase our CPO production output by increasing operational efficiency, land acquisition or rental and expanding sourcing of RSPO-certified FFB. As part of this effort, we have launched an intiative called "Palm Product Yield 7.0 MT" to attain yields of at least 7.0 MT of palm products per Ha from our mature oil palm plantings from our palm product yield of 6.0 MT per Ha, 5.3 MT per Ha, 5.7 MT per Ha and 2.4 MT per Ha for the Financial Years/Period Under Review respectively. To increase our yields, our strategy is to replant old oil palms or those more than 25 years old with higher-yielding planting materialsusing various clonal palms such as KT clonal and improved DxP seedlings. We also plan to continue replanting our estates with improved planting materials that are developed through our research and development activities and incorporate more mechanisation and digitalisation into our production process to increase our CPO and PK production.

We may opportunistically acquire existing plantation estates in Johor or enter into rental agreements given the limited suitable land available for expansion. We may increase the sourcing of our FFB by increasing our number of managed estates for third parties. We intend to focus this expansion in the Johor region to complement and leverage our existing operations. We may also expand to other geographies if it is commercially and operationally viable and synergistic to our existing operations.

We plan to continue to expand our smallholder inclusion program to assist more smallholders in applying for RSPO certification. This strategy is intended to facilitate sustainable and responsible palm oil production. This allows us to tap into additional sources of raw materials without the need for extensive land acquisition or ownership.

(ii) We aim to focus on the sustainably-sourced CPO market

We aim to increase our CPO selling volume into the sustainably-sourced CPO market. We believe that we have a competitive advantage due to our long track record as an RSPO-certified producer and our continued investment in CPO quality enhancement. The sustainably-sourced CPO market consists of customers that have more stringent purchasing requirements, such as RSPO certification, complete traceability and lower levels of mineral and other contaminants in the CPO. We are generally able to market our products at a premium when we sell them in the segment of the market that focuses on sustainably-sourced CPO.

(iii) We embrace sustainable principles by maximising the use of by-products from our POMs

As part of our commitment to operate sustainably and to be an environmentally responsible plantation company, we plan to continue to embrace sustainable principles by maximising the use of by-products from our operations.

In the past, all the biogas produced in our operations was used for internal power generation. Going forward, we plan to further process additional excess biogas that we generate but do not use for our internal power generation into biomethane for sale as a natural gas alternative that has equivalent energy capacity. Biomethane is both clean and renewable. To that end, we converted the biogas plant at our Sedenak POM into a biomethane plant, which commenced commercial operations in June 2023. We sell the biomethane produced at our Sedenak POM to Gas Malaysia Virtual Pipeline.

We also plan to begin producing bio-CNG at our Tereh POM and Sindora POM for commercial sales by the 1st quarter of 2024.

(iv) We intend to diversify our offerings to include downstream products such as specialty oils and fats

While we are principally involved in upstream oil palm operations, we are evaluating opportunities to venture into the downstream market, including the refinery business, in order to diversify our offerings to include downstream products such as specialty oils and fats. Through this diversification, we seek to enhance our position as a fully integrated oil palm producer and generate additional revenue across the entire value chain. We believe that further expansion of our integrated business model offers us the potential to better manage commodity price volatility by giving us the flexibility to channel our CPO and PK to the various segments of our downstream processes at the appropriate time, thus benefiting from the different price characteristics and feedstock types in various downstream segments.

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.

(v) We intend to expand the production capacity of our POMs

We plan to continue to explore opportunities to increase production capacity to meet our growth targets. These opportunities may include further upgrades to our existing POMs or strategic acquisitions of additional POMs. This would allow us to process increased volumes of FFB, which we expect to generate in the future due to the age profile of our plantations and expected increase in the number of our oil palms that are in peak production years.

(vi) We intend to improve our operational efficiency, productivity, and governance through use of digital technologies

We recognise the need to embrace digitalisation as part of our transformation into a progressive, efficient, and profitable company. We intend for digitalisation to be at the core of our operations going forward. Our employees and workers are adopting the use of digital technologies on a daily basis. We intend to prioritise initiatives to address digital needs such as the automation of FFB grading and digitalisation of laboratory operations.

Please refer to Section 7.3 of this Prospectus for further details of our future plans and strategies.

3.5 RISK FACTORS

The following is a summary of the key risks relating to our business and operations that we are currently facing or that may develop in the future:

(i) Our performance may be affected by variations in the yield levels of oil palm due to the age of oil palms and other factors

The yield for oil palm plantations is generally dependent on factors such as age profile of the oil palms, planting materials, diseases or crop pests and weather conditions that affect the oil palm, terrain, and soil characteristics of the area in which our plantations are located, as well as the availability of labour and the social structure of the local community surrounding our estates. Other factors may also affect our yields, including seed quality, estate upkeep and maintenance, pest and diseases, soil fertility and investments that we make in equipment, facilities, and personnel. There can be no assurance that we will be able to maintain an optimal age profile for our oil palms or achieve our targeted yield levels on a consistent basis or at all.

(ii) Our business operations and financial performance may be affected by prolonged or significant disruption to our production, storage and distribution facilities, and transportation infrastructure

Our plantations business is highly dependent on our production, storage and distribution facilities, transportation infrastructure or modes of transportation that we use to ensure smooth operations. We face a number of operational risks at our plantation estates and POMs, POME facilities, biomethane generation and planned bio-CNG facilities. Any prolonged interruption in the transportation infrastructure and modes of transportation that we use could disrupt the flow of our business operations and impact our ability to serve our customers in a timely manner.

(iii) Our major customers typically account for a substantial portion of our revenue each year

During the Financial Years/Period Under Review, a significant portion of our revenue was derived from sales to 3 of our major customers, namely Intercontinental Specialty Fats Sdn Bhd, Palmaju Edible Oil Sdn Bhd and PGEO Group Sdn Bhd. If one or more of our major customers terminates their relationship with us or decides to purchase less products than expected, our results of operations could be adversely affected in the short run while we make alternative sales arrangements, and in the long run if we are not able to secure such alternative sales arrangements or if the new arrangements are entered into on less favourable terms.

In addition, as we typically commit a large portion of our production volume to a small number of customers, our business may be adversely affected by risks and unexpected adverse developments affecting those customers.

(iv) We are dependent on foreign workers for our plantation operations

The plantation industry in Malaysia, including us, relies heavily on foreign labour. Oil palm plantations require extensive manpower in nurturing of seedlings, palm planting, manuring, harvesting and other routine maintenance work to achieve optimal yields. As such, we rely on employing foreign workers mainly from Indonesia and Bangladesh for our oil palm plantation operations. There can be no assurance that our business operations and financial performance will not be materially and adversely affected arising from any changes in policies relating to the employment of foreign workers in the future.

(v) Our business operations may be affected by loss of right of use of the estates that we rent which contribute a substantial amount of our FFB production

We rent the Malay Reserved Estates from JCorp. JCorp and Kulim have both, vide a letter of confirmation dated 13 September 2023, acknowledged that Kulim intends to purchase the Malay Reserved Estates from JCorp. Upon completion of the purchase of the Malay Reserved Estates by Kulim, JCorp shall assign and novate all of its rights, interests, liabilities and obligations under the Renewal Tenancy Agreement to Kulim, and Kulim shall accept all of such rights, interests, liabilities and obligations, and renew the Renewal Tenancy Agreement for further consecutive periods to ensure the continuity of our oil palm plantation business carried out on the Malay Reserved Estates, beyond the expiry of the extended tenancy period.

Notwithstanding our longstanding relationships with our Promoters and the aforesaid letter of confirmation issued by both JCorp and Kulim, there can be no assurance that we will be able to do so on similar terms or at all due to reasons beyond our control. If our Promoters terminate the Renewal Tenancy Agreement or any of the subsequent tenancy renewal agreements in the absence of breach on our part and the court refuses to grant us specific performance relief, we will lose our right to use the Malay Reserved Estates, and this will have a material adverse effect on our business, financial condition, results of operations and prospects.

Please refer to Section 9 of this Prospectus for further details of our risk factors.

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' Sri Dr. Ismail Bin Haji Bakar	Non-Independent Non-Executive Chairman
Mohd Faris Adli Bin Shukery	Managing Director
Dato' Sr. Hisham Bin Jafrey	Non-Independent Non-Executive Director
Shamsul Anuar Bin Abdul Majid	Non-Independent Non-Executive Director
Abdullah Bin Abu Samah	Independent Non-Executive Director
Fawzi Bin Ahmad	Independent Non-Executive Director
Mohd Fazillah Bin Kamaruddin	Independent Non-Executive Director
Vinie Chong Pui Ling	Independent Non-Executive Director
Ong Li Lee	Independent Non-Executive Director
Norita Binti Ja'afar	Independent Non-Executive Director
Key Senior Management	
Aziah Binti Ahmad	Chief Financial Officer
Mohamad Yami Bin Bakar	Head of Plantation
Amran Bin Zakaria	Head of Group Human Capital
Wan Adlin Bin Wan Mahmood	Head of Sustainability and Innovation

Subsequent to the LPD, Lee Chong Yee has been appointed as our Chief Operating Officer on 18 December 2023 and he will be part of our Key Senior Management. Please refer to Section 5 of this Prospectus for further details of our Directors and Key Senior Management.

3.7 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

The details of our Promoters and Substantial Shareholders, and their respective shareholdings in our Company before and after our IPO, are as follows:

	After the Capitalisation and Share Split / Before our IPO				After our IPO			
	Direct		Indirect		Direct		Indirect	
Name / Country of incorporation	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	(1)%	No. of Shares ('000)	(1)%
Kulim / Malaysia	2,036,000	100.0	-	-	1,625,000	65.0	-	-
JCorp / Malaysia	-	-	(2)2,036,000	100.0	-	-	(2)1,625,000	65.0

Notes:

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

(2) Deemed interested pursuant to Section 8(4) of the Act by virtue of Kulim being a wholly-owned subsidiary of JCorp.

Please refer to Section 5 of this Prospectus for further details of our Promoters and Substantial Shareholders.

3.8 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**	

There is no minimum subscription to be raised from our IPO. We will not receive 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.

Please refer to Section 4.5 of this Prospectus for further details of the use of proceeds arising from the Public Issue.

3.9 FINANCIAL AND OPERATIONAL HIGHLIGHTS

The table below sets out the key financial highlights based on our audited consolidated financial statements and our operational highlights for the Financial Years/Period Under Review:

	<------Audited	------	------>	Unaudited	Audited
	FYE 2020 (RM'000)	FYE 2021 (RM'000)	FYE 2022 (RM'000)	FPE 2022 (RM'000)	FPE 2023 (RM'000)
Financials					
Revenue	1,020,759	1,549,235	1,751,645	1,107,968	622,363
GP	284,979	627,748	769,947	530,538	140,390
PBT	117,611	488,548	569,120	432,730	55,225
PAT attributable to owners of our Group	52,501	344,796	495,592	292,131	58,344
EBITDA	311,761	662,621	744,789	532,991	164,022
GP margin (%)	27.9	40.5	44.0	47.9	22.6
EBITDA margin (%)	30.5	42.8	42.5	48.1	26.4
PBT margin (%)	11.5	31.5	32.5	39.1	8.9
PAT margin (%)	5.1	22.3	28.3	26.4	9.4
Equity attributable to owners of our Group	1,643,423	1,873,219	1,975,790	2,130,350	1,961,446
Total borrowings	2,042,062	1,878,630	1,767,560	2,056,157	1,680,176
Total lease liabilities	2,052	2,273	1,418	3,139	109,117
Net debt	1,887,595	1,682,583	1,743,525	1,485,088	1,697,262
Trade receivables turnover period (days)	17	15	13	13	13
Trade payables turnover period (days)	37	20	18	19	16
Inventory turnover period (days)	9	8	16	13	24
Current ratio (times)	0.9	1.3	1.0	1.5	1.2
Gearing ratio (times)	1.2	1.0	0.9	1.0	0.9
Net gearing ratio (times)	1.1	0.9	0.9	0.7	0.9

	<---Audited	---Audited---	Audited--->	Unaudited	Audited
	FYE 2020 (RM'000)	FYE 2021 (RM'000)	FYE 2022 (RM'000)	FPE 2022 (RM'000)	FPE 2023 (RM'000)
Production and processing					
Total FFB produced (MT)	1,145,090	1,035,342	1,111,496	575,618	485,236
Total FFB purchased (MT)	356,859	384,271	316,870	177,557	173,866
Total FFB processed (MT)	1,501,949	1,419,613	1,428,366	753,176	659,102
CPO produced (MT)	316,066	295,747	289,488	156,186	130,674
PK produced (MT)	79,711	75,867	76,383	39,397	34,916
CPO delivered (MT)	316,840	295,887	287,147	153,397	131,080
PK delivered (MT)	79,717	75,892	75,348	38,825	35,429
Yield and extraction rates					
Yield per Ha (MT per Ha)	22.9	20.1	22.1	11.1	9.5
Palm product yield (MT per Ha)	6.0	5.3	5.7	2.9	2.4
Oil extraction rate (%)	21.0	20.8	20.3	20.7	19.8
Kernel extraction rate (%)	5.3	5.3	5.4	5.2	5.3
Average selling prices					
CPO price (RM per MT)	2,753	4,422	5,177	6,129	4,090
PK price (RM per MT)	1,625	2,887	3,218	4,015	2,230

The financial highlights presented above should be read in conjunction with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" as set out in Section 12.3 of this Prospectus and the Accountants' Report, together with its related notes, as set out in Section 13 of this Prospectus.

3.10 DIVIDEND POLICY

The payment of dividends by us will depend upon our distributable profits, financial performance and cash flow requirements for operations and capital expenditure as well as the covenants in our existing loan agreements with the respective financial institutions. In addition, changes in applicable accounting standards may also affect our ability, and consequently, our ability to declare and pay dividends.

It is the intention of our Board to recommend and distribute a dividend of at least 50.0% of our annual audited PAT attributable to the owners of our Group. This will allow our shareholders to participate in our profits while leaving adequate reserves for our future growth.

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 modifications (including non-declaration) 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 further dividends declared by our Board, if any, will not differ materially from historical pay-outs. Please refer to Section 9.3.5 of this Prospectus for the risk factor which may affect our ability to pay dividends.

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.

Please refer to Section 12.6 of this Prospectus for further details of our dividend policy.