



AGRICORE CS HOLDINGS BERHAD
(202301018008 (1511930-P))

Cultivating Excellence, Nurturing Tomorrow



ANNUAL REPORT 2024

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VISION AND MISSION



SLOGAN

You Are What You Eat



VISION

To be a reliable, sustainable
and customers' first choice food
ingredients supplier

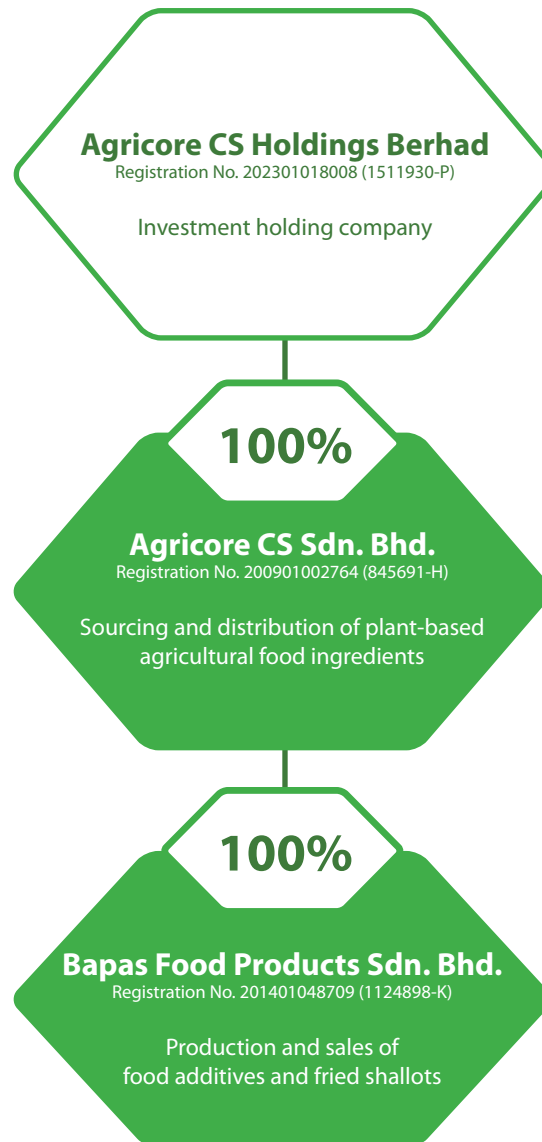


MISSION

Providing quality products and
excellent service is the commitment
to our valuable customers



GROUP STRUCTURE



OUR BOARD AND MANAGEMENT



FU YEW SUN

Chairman/Independent Non-Executive Director

Mr. Fu Yew Sun, male, a Malaysian, aged 51, is our Independent Non-Executive Chairman. He was appointed to our Board on 10 August 2023.

He graduated with a Bachelor of Science (Cum Laude Honours) in Mechanical Engineering from the University of Southern California. He is a Chartered Financial Analyst (CFA) and has been a member of the CFA Institute since 2002.

Mr. Fu has a career spanning more than 20 years in the financial and corporate sectors. He is currently a director of JRT Capital Management Pte. Ltd., which is involved in fund management for a single family office in Singapore.

He started his career as an engineer in 1997 at TNB Generation Sdn. Bhd., before venturing into the financial industry as a research analyst at SG Research (Malaysia) Sdn. Bhd. in 2000. He then had a brief stint with Standard Chartered Bank Malaysia Berhad in the debt capital market team in 2002.

From 2003 to 2017, he gained extensive experience in treasury, trading and investment management, including senior positions as Director of Global Markets in AmBank (M) Berhad (2007 to 2014) and General Manager of Portfolio Management and Trading in UTSB Management Sdn. Bhd. (2014-2017).

Prior to the founding of JRT Capital Management Pte. Ltd. in 2021, he held the position of Chief Investment Officer in AmFunds Management Berhad from 2017-2019 where he led a team of investment professionals in managing portfolios for institutional and retail clients.

He does not hold any directorship in other public companies or listed corporations.



OON BOON KHONG

Managing Director cum Chief Executive Officer

Mr. Oon Boon Khong, male, a Malaysian, aged 51, is our Managing Director cum Chief Executive Officer. He was appointed to our Board on 10 August 2023.

Mr. Oon began his career in 1992 after completing his Sijil Am Pelajaran at Jit Sin High School, Pulau Pinang. He started as a freelance sales agent in building materials before joining Johnson Shoes Berhad (now known as Johnson Shoes Sdn. Bhd.) in 1995 as a Sales Representative, where he was responsible for the sales and marketing of footwear products to supermarkets, retailers, and factories.

In 1996, he moved to Thye Huat Chan Sdn. Bhd., a trading and supply company for food and agricultural products, as a Sales Representative focusing on starch and beans in northern Malaysia. He was promoted to Sales Executive in 1999, expanding his coverage to the east coast of Malaysia, and later to Assistant Sales Manager in 2005, where he managed the sales team and oversaw logistics and transportation.

In 2009, he co-founded Agricore CS Sdn. Bhd. ("ACS") and played a key role in its establishment and development. Initially appointed as General Manager, he led customer and supplier relationships, sales and marketing, branding, and logistics. In May 2009, he was appointed as Director of ACS, overseeing its operations and growth. In 2023, he was re-designated as Managing Director cum Chief Executive Officer, leading the company's strategic direction.

In 2020, he was appointed as Director of Bapas Food Products Sdn. Bhd. ("Bapas"), a wholly owned subsidiary of ACS, where he oversees operations and drives business growth. Under his leadership, Bapas expanded its portfolio by establishing a new division specialising in food additives alongside its core fried shallots manufacturing business.

He is responsible for overseeing our Group's business operations, planning, and executing strategic directions to drive the business development, growth and expansion of our Group. He is also involved in managing our Group's sales and marketing strategies by identifying potential customers to penetrate into new markets and seize business opportunities.

He does not hold any directorship in other public companies or listed corporations.

OUR BOARD AND MANAGEMENT (CONT'D)



KOAY HOOI LYNN

Independent Non-Executive Director

Ms. Koay Hooi Lynn, female, a Malaysian, aged 55, is our Independent Non-Executive Director. She was appointed to our Board on 10 August 2023. She is the Chairperson of our Audit and Risk Management Committee and a member of our Nominating Committee and Remuneration Committee.

She graduated with a Bachelor of Commerce from La Trobe University, Melbourne, Australia, in 1994. In 2005, she became a Certified Practising Accountant (CPA) Australia and was also certified as a Chartered Accountant by the Malaysian Institute of Accountants (MIA). She has been an Affiliate of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and an Associate Member of the Chartered Tax Institute of Malaysia (CTIM) since 2009. In 2018, she was recognised as an ASEAN Chartered Professional Accountant (ASEAN CPA) under the ASEAN Chartered Professional Accountants Coordinating Committee (ACPACC).

In 1994, she began her career at Koay Seng Leong & Co as an Audit Assistant where she was involved with audit assurance work for subsidiaries of public listed companies and small and medium enterprises across various industries such as palm oil plantations, manufacturing, trading and property developers. In 1998, she was promoted to Audit Senior where her responsibilities were extended to tax compliance matters and subsequently in 2009, she was promoted to Manager.

In 2013, she became Partner of the firm, a position she presently assumes, where her responsibilities include audit compliance and staff adherence to auditing standards and accounting regulations, as well as providing tax compliance and advisory services to her clients.

She is an Independent Non-Executive Director of Farlim Group (Malaysia) Berhad and SWS Capital Berhad (both companies are listed on the Main Market of Bursa Malaysia Securities Berhad).



LEE SEOW LING

Independent Non-Executive Director

Ms. Lee Seow Ling, female, a Malaysian aged 55 years old, is our Independent Non-Executive Director. She was appointed to our Board on 18 September 2023. She is the Chairperson of our Remuneration Committee and a member of our Nominating Committee and Audit and Risk Management Committee.

She graduated with a Bachelor of Business in Accountancy from Charles Sturt University, New South Wales, Australia in 1993. She has been a member of the Australian Society of Certified Practising Accountant (CPA Australia) since 1993 and has been a Certified Practising Accountant since 1996. In 2024, she is certified as a Chartered Accountant by MIA.

In 1993, she started her career in the audit firm, Kiat & Associates as an Audit Assistant. Her responsibilities included assisting clients in setting up their accounting and financial information systems as well as computerised accounting systems. She also provided accounting and auditing advisory services to her clients.

In 1995, she joined THB Industries Sdn. Bhd. (now Kobay Technology Berhad) as an Accounts and Admin Officer, responsible for preparing monthly financial reports. She was promoted to Accountant in 1997, with an expanded remit that included group consolidation review. That same year, she played a key role in the listing exercise of Kobay Technology Berhad on the then Main Board of the Kuala Lumpur Stock Exchange (now the Main Market of Bursa Securities).

In 2004, she was promoted to Group Accountant, overseeing the financial reporting of the group. In 2021, she was transferred to Kobay Management Services Sdn. Bhd., a wholly owned subsidiary of Kobay Technology Berhad, where she continued in her role as Group Accountant. In 2023, she was promoted to Senior Group Accountant, a position she currently holds, with expanded managerial responsibilities.

She is an Independent Non-Executive Director of Eplas Global Berhad (a public company).

OUR BOARD AND MANAGEMENT (CONT'D)



TEH BOON BENG

Independent Non-Executive Director

Mr. Teh Boon Beng, male, a Malaysian, aged 64, is our Independent Non-Executive Director. He was appointed to our Board on 24 January 2024. He is the Chairperson of our Nominating Committee and a member of our Audit and Risk Management Committee and Remuneration Committee.

He graduated with a Bachelor of Economics in Business Administration from University of Malaya in 1984.

He began his career at Malayan Banking Berhad ("Maybank") main branch at Bishop Street, Georgetown, Pulau Pinang in 1984 as a Trainee Officer before progressing to Credit Officer, managing portfolio and credit analysis. He was later promoted to Assistant Branch Manager in 1992 and Head of Customer Service in 1996.

From 1998 onwards, he held various Branch Manager roles, overseeing operations and performance across multiple branches. In 2001, he transitioned to Maybank's Business Centre, focusing on commercial deposits, loans, and client relationships, before being promoted to Senior Account Manager in 2002.

He went on to lead business centres in Alor Setar and Prai, holding key leadership roles until his retirement in 2021.

He is an Independent Non-Executive Director of Ajiya Berhad and K. Seng Seng Corporation Berhad (both companies are listed on the Main Market of Bursa Malaysia Securities Berhad).

Additional information:

1. None of the Directors has:
 - (i) any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries;
 - (ii) been convicted of any offence (other than traffic offences) within the past five (5) years; and
 - (iii) been imposed with any public sanction or penalty imposed by any relevant regulatory bodies for the financial year ended 31 December 2024.
2. The number of board meetings attended by the Directors in the financial year are disclosed in page 50 of the Annual Report 2024.

OUR BOARD AND MANAGEMENT (CONT'D)



LIM SWEE CHUAN

Chief Financial Officer

Mr. Lim Swee Chuan, male, a Malaysian, aged 59, joined Agricore CS Sdn. Bhd. ("ACS") on 1 December 2020 as the Finance Director and he was subsequently promoted to Chief Financial Officer in 2023, a position he presently assumes. He is responsible for our Group's accounting and finance functions and internal control systems as well as implementation of our Group's strategic planning activities.

He graduated with a Bachelor of Accountancy (Honours) Degree from Universiti Utara Malaysia in 1991. In 1995, he was certified as a Public Accountant and subsequently in 2001, as a Chartered Accountant by MIA. He is a Fellow of the Malaysian Institute of Taxation (presently known as the Chartered Tax Institute of Malaysia) since 2006.

He began his career in 1991 with a brief tenure as an Audit Assistant at Cycle & Carriage (M) Sdn. Bhd., assisting in the review of internal systems and control procedures for Cold Storage (M) Bhd. In 1992, he joined Price Waterhouse (now known as PwC Malaysia) as an Audit Assistant, later progressing to Audit Senior in 1994, where he led audit fieldwork, system reviews, and provided guidance to audit assistants.

In 1995, he left Price Waterhouse and joined Mecorprise Sdn. Bhd. (now known as Kobay Technology Berhad) as an Accountant, before being promoted to Finance Manager within the same year, overseeing financial reporting and accounting functions. By 1997, he advanced to Group Finance Manager, where he managed group-wide financial operations, tax compliance, and treasury matters, and played a key role in Kobay Technology Berhad's listing on the Main Board of Bursa Securities.

In 2000, he was promoted to Group General Manager (Finance) and in 2001, appointed Executive Director cum Chief Financial Officer ("CFO") responsible for corporate finance, tax, and accounting across Kobay Technology Berhad and its subsidiaries. Concurrently, in March 2000, he also assumed the role of Executive Director cum CFO at Lipo Corporation Berhad (now known as Kobay Industries Sdn. Bhd.), a subsidiary of Kobay Technology Berhad. He remained in these executive roles until his resignation in June 2020.



WONG KAM TONG

Chief Operating Officer

Mr. Wong Kam Tong, male, a Malaysian, aged 50, is our Chief Operating Officer, responsible for overseeing our Group's production, logistics, warehousing and administration operations.

He graduated with a Bachelor of Social Science (Honours) (Economics) from Universiti Sains Malaysia in 2001.

Before completing his degree, he began his career in 2001 as a Marketing Executive at Thye Huat Chan Sdn. Bhd., where he was responsible for the sales of starches and beans to factories and wholesalers, as well as the collection process. In 2004, he left Thye Huat Chan Sdn. Bhd. and founded Redsun Worldwide Trading, a sole proprietorship engaged in the trading of groceries and tobacco products, which has become dormant since 2015.

Following his departure from the trading business, he co-founded Bapas Food Products Sdn. Bhd. ("Bapas") in 2014 and was appointed Factory Manager in 2015. In this role, he managed production operations and played a key role in establishing our Group's fried shallot manufacturing business.

On 2 January 2021, he was transferred to ACS as Senior Operations Manager, where he oversees the daily operations of both ACS and Bapas. He was subsequently promoted to Chief Operating Officer of ACS on 1 January 2023, a position he currently holds.

OUR BOARD AND MANAGEMENT (CONT'D)



TAN HONG SHENG

Marketing Manager

Mr. Tan Hong Sheng, male, a Malaysian, aged 31, is our Marketing Manager, responsible for overseeing our Group's overall sales and marketing operations as well as our Group's business development and customers' affairs.

He graduated with a Bachelor of Science (Food Technology and Nutrition) from the Royal Melbourne Institute of Technology, Melbourne, Australia in 2017.

Upon graduation in 2017, he joined Markaids (Malaysia) Sdn. Bhd. as a Management Graduate Trainee, gaining exposure to various functional food ingredient properties and applications. In 2018, he was promoted to Business Development Executive, responsible for servicing and expanding the company's presence in the processed meat, seafood, and vegetarian business segments. The following year, he was promoted to Senior Business Development Executive, leading the sales team for the processed meat and seafood divisions while managing supplier relations and sales forecasts for key accounts.

In June 2020, he left Markaids (Malaysia) Sdn. Bhd. and joined ITS Nutriscience Sdn. Bhd. as Product Manager, spearheading the company's new business division in relation to functional food ingredients.

In August 2020, he left ITS Nutriscience Sdn. Bhd. and joined ACS as Product Manager. Since joining our Group, he has played a pivotal role in establishing its food additive and export division. On 1 January 2024, he was promoted to Marketing Manager, expanding his responsibilities to include identifying new business opportunities and overseeing the Group's Sales and Marketing Team, a position he presently holds.



CHENG BOON KAI

Procurement Manager

Mr. Cheng Boon Kai, male, a Malaysian, aged 35, is our Procurement Manager, responsible for overseeing our Group's overall procurement and QC activities which include amongst others, developing procurement strategies, identifying and evaluating new suppliers, managing supplier relationships, pricing and contract negotiations as well as the supervision of the procurement team.

He graduated with a Diploma in Business Studies (International Business) from Tunku Abdul Rahman College (now known as Tunku Abdul Rahman University of Management and Technology) in 2011.

While completing his diploma at Tunku Abdul Rahman College, he worked as a Sales Executive at JM Motor Venture Sdn. Bhd. from March to August 2011, focusing on motor car sales.

Upon his graduation, he joined ACS as a Sales Executive in September 2011 where he was responsible for promoting sales and collections and taking care of customers' needs in relation to the company's products. In 2012, he was transferred to the role of Purchasing Executive where he was responsible for sourcing, planning and purchasing raw materials, controlling and monitoring inventories and logistic arrangements for the raw materials received. On 1 January 2019 he was subsequently promoted to Procurement Manager, a position he presently assumes.

Additional information:

None of the Key Senior Management has:

- (i) any family relationship with any director and/or major shareholder of Company;
- (ii) any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries;
- (iii) been convicted of any offence (other than traffic offences) within the past five (5) years;
- (iv) been imposed with any public sanction or penalty imposed by any relevant regulatory bodies for the financial year ended 31 December 2024; and
- (v) any directorship in public companies or listed corporations.

AGRICORE IN THE NEWS

Agricore starts taking orders for RM25.9m IPO

theedgemalaysia.com/node/713608

May 30, 2024

By



KUALA LUMPUR (May 30): Food ingredient supplier Agricore CS Holdings Bhd (KL:AGRICOR) on Thursday began taking orders from investors to raise RM25.9 million under its initial public offering (IPO) exercise for its listing on the ACE Market of Bursa Malaysia.

The IPO, priced at 50 sen per share, comprises entirely 51.7 million new shares, representing 25.5% of the enlarged share capital, according to the company in a statement on Thursday.

For the financial year ended Dec 31, 2023 (FY2023), the company recorded a net profit of RM6.78 million or 4.5 sen per share. Based on the IPO price, this translates into a price-earnings ratio of 11 times.

Agricore is principally involved in the distribution and production of food ingredients, including starch products, beans and pulses, grain products and food additives. Its house brands include Pokok Agricore, SunRise, Bapas and Cap Pokok.

Of the 51.7 million new shares, 10.1 million new shares will be made available to the Malaysian public via balloting, followed by 10.1 million new shares for eligible persons.

Meanwhile, 25.4 million shares will be allocated to Bumiputera investors approved by the Ministry of Investment, Trade and Industry (MITI). The remaining 6.1 million shares will be allocated to selected investors by way of private placement.

The company plans to use 74% of the proceeds or RM18.9 million to purchase inventory and expand its sourcing and distribution business, of which RM13.7 million will be utilised for its Bukit Minyak premises, and the remaining RM5.2 million for a new regional storage facility in Klang, Selangor.

It also plans to use 10% of the proceeds or RM2.7 million to set up a new storage facility in Klang, with a built-up area of 30,000 sq ft. The remainder of the proceeds will be used for staff recruitment and listing expenses.

The offering will close on June 7, while the listing is scheduled for June 21.

M&A Securities is the advisor, sponsor, underwriter and placement for the IPO exercise.

IPO Agricore terlebihi langgan sebanyak 130.99 kali

Dea BERNAMA - Jun 11, 2024 @ 7:05pm



KUALA LUMPUR: Tawaran awam permulaan (IPO) Agricore CS Holdings Bhd yang bakal disenaraikan di Pasaran ACE telah menarik permohonan untuk saham bernilai RM669.21 juta daripada orang awam, mewakili lebihan langgan sebanyak 130.99 kali.

Pembekal bahan makanan itu berkata, 10.14 juta saham baharu yang disediakan untuk orang awam pada 50 sen setiap satu telah menerima 13,364 permohonan membabitkan 1,134 bilion saham baharu.

Bahagian awam Bumiputera terlebihi langgan sebanyak 113.57 kali, dengan sejumlah 8,594 permohonan untuk 580.88 juta saham baharu telah diterima, katanya dalam satu kenyataan hari ini.

Bagi bahagian awam bukan Bumiputera, sejumlah 8,710 permohonan untuk 757.54 juta saham baharu diterima, memcemerinkan kadangkala langgan sebanyak 148.42 kali.

DISYORKAN UNTUK ANDA

- Agricore metaraf perjanjian taja jamin bagi IPO
- IPO Jati Tinggi terlebihi langgan 16.11 kali
- IPO tiga syarikat dapat sambutan hebat pelabur
- IPO KUTS Group terlebihi langgan 31.28 kali
- Tertitah awam IPO Keyfield terlebihi langgan 9.69
- KaliSaham Master Tec terlebihi langgan 7.11 kali
- IPO ProLifas Infra BT terlebihi langgan 3.59 kali
- Saham Critical Holdings bermula mantap di Bursa Malaysia

Sementara itu, 10.14 juta saham baharu yang disediakan untuk penganah yang layak, kakitangan serta individu yang telah menyumbangkan kepada kejayaan Kumpulan Agricore juga telah dilanggan sepenuhnya.

Selain itu, M & A Securities Sdn Bhd, yang bertindak sebagai penasihat, penasja, penasja jamin dan ejen penempatan untuk pelaksanaan IPO berkenaan telah mengesahkan bahawa 31.43 juta saham yang disediakan bagi pemohonan melalui penempatan persendirian kepada pelabur Bumiputera yang diluluskan oleh Kementerian Pelaburan, Perdagangan dan Industri (MITI) termasuk pelabur terpilih telah dikeluarkan sepenuhnya.

Pengarah Urusan Agricore, Oon Boon Kheng, berkata dengan adanya dana IPO, syarikat itu berada di landasan yang betul untuk melaksanakan pelan pengembangan dan memanfaatkan peluang pertumbuhan dalam industri bahan makanan.

"Hasil IPO adalah penting untuk meningkatkan tahap inventori kami bagi menyokong pertumbuhan perniagaan kami. "Melalui tahap inventori yang lebih tinggi, syarikat akan dapat mematu pertumbuhan pendapatan dengan meningkatkan jumlahjahan kepada pelanggan sedia ada termasuk mendapat pelanggan baharu," katanya lagi.

Selain itu, Boon Kheng berkata dengan pertumbuhan berterusan serta pengembangan perniagaan, hasil IPO juga akan digunakan untuk meningkatkan kapasiti penyimpanan dengan merubuhkan fasiliti penyimpanan serantau baharu di Klang, Selangor, dengan anggaran keluasan binaan 30,000 kaki persegi.

Selarang ini, semua produk pertanian berasaskan tumbuhan Agricore disimpan di premis Bukit Minyak sebelum dihantar kepada pelanggan.

Syarikat itu berkata, hadar penggunaan ruang simpanan di sana adalah pada purata 91.1 peratus bagi tahun kewangan berakhir 31 Dis 2020 hingga tahun kewangan 2023.

Penubuhan fasiliti penyimpanan serantau baharu itu dijangka akan mencambahkan kecukupan operasi perniagaan syarikat dari segi penghantaran produk kepada pelanggan memandangkan kemudahan storan serantau baharu ini akan berfungsi sebagai kemudahan bagi menyokong perniagaannya di wilayah tengah dan selatan Semenanjung Malaysia.

Agricore, yang dijadualkan disenaraikan di Bursa Malaysia menjelang 21 Jun 2024, menyasarkan untuk mengumpul RM25.86 juta daripada IPO.

-BERNAMA



Agricore Debuts On The ACE Market With 58% Premium

businessstoday.com.my/2024/06/21/agricore-debuts-on-the-ace-market-with-58-premium/

June 21, 2024



Agricore CS Holdings Berhad debuts on the ACE Market with a 58% premium rising to 79 sen for its opening.

The company had successfully raised RM25.9 million in its initial public offering exercise mainly to purchase inventory amounting to RM18.9 million to support its business growth.

Of the proceeds, RM2.7 million will be allocated to expand storage capacity by setting up new regional storage facility in Klang, Selangor to enhance the efficiency of its business operations and increase market presence in the food ingredients industry.

A sum of RM0.6 million will be allocated to recruit additional staff in Bukit Minyak Premises followed by RM3.7 million for the estimated listing expenses. Based on the enlarged share capital of 202.8 million shares, Agricore is expected to have a market capitalisation of RM101.4 million after listing.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

Company Profile and Principal Activities



Agricore CS Holdings Berhad, through its subsidiaries - Agricore CS Sdn. Bhd. and Bapas Food Products Sdn. Bhd. (collectively referred as “Agricore CS Group” or “Group”) is principally involved in the sourcing, distribution and production of food ingredients. The Group’s core business activities are segmented as follows:

- a) **Sourcing and distribution of plant-based agricultural food ingredients** : Our business specialises in sourcing and distributing plant-based agricultural food ingredients, including starch products, beans and pulses, grain products and other related products. These essential ingredients are a source of proteins and carbohydrates, support food manufacturing, preparation, and security. They are used in products like noodles, pastries and snacks, with some beans also supplied to bean sprout farms for crop production.

We source products based on customer demand, store them at our Bukit Minyak and Klang facilities, and ensure quality through cold storage, Certificates of Analysis, and third-party laboratories to conduct testing on our products. We sell products under our house brands ‘POKOK AGRICORE’, ‘SunRise’, ‘POKOK-POKOK’ and ‘CAP POKOK’ in various packaging sizes, while also offering third-party branded food ingredients.

- b) **Production and Sale of Food Additives and Fried Shallots** : We produce and sell food additives and fried shallots under our house brands, ‘BAPAS’ and ‘CAP POKOK’ respectively. Our food additives, developed in-house by our Research and Development (“R&D”) team using proprietary and industry-standard formulations, serve as functional ingredients to enhance texture, taste, appearance, and preservation in food manufacturing. Made primarily from starch products and phosphate, they are used in processed and frozen foods, sauces and gravies, noodles, bakery products, confectioneries, meat replacements (i.e. vegetarian) products, and beverages.







Additionally, we produce fried shallots using various recipes to cater to different flavour profiles and textures. These are sold to wholesalers and retailers or produced as contract-manufactured products for third-party brands.

In total, we have 5 brands in the market, ‘POKOK AGRICORE’, ‘SunRise’, ‘CAP POKOK’, ‘POKOK-POKOK’ and ‘BAPAS’ where each brand has its own unique product line up. The ‘POKOK AGRICORE’ trademark has been created and been in use since year 2009. The brand has grown to become one of the well-known and trusted brand in the food ingredient and grocery market. The brand has the biggest product line-up ranging from starch products, beans and pulses grain and other related products. ‘SunRise’ is our brand name for premium selected products to comply stricter requirement and export market. ‘CAP POKOK’ brand carries products such as rice and antifoam solutions. ‘POKOK-POKOK’ brand focuses in natural ingredients and green products such as fresh garlis and dried chilies. Established in 2014, Bapas Food Products Sdn. Bhd. is a subsidiary of Agricore CS Sdn. Bhd. Its brands ‘CAP POKOK’ and ‘BAPAS’ focus in producing fried shallots and food additives, such as food texturiser, preservative, nutritional and flavouring agent.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS (CONT'D)

Business Model

Principal Activities	Sourcing and distribution of plant-based agricultural food ingredients	Production and sale of food additives and fried shallots
Products	<ul style="list-style-type: none"> Starch products Beans and pulses Grain products Other related products 	<ul style="list-style-type: none"> Food additives Fried shallots
Home Brands	   	 
Customers	<ul style="list-style-type: none"> Business end-users <ul style="list-style-type: none"> Food manufacturers Commercial farmers F&B businesses Wholesalers Retailers 	<ul style="list-style-type: none"> Business end-users <ul style="list-style-type: none"> Food manufacturers Wholesalers Retailers
Locations	<u>Headquarters, storage facility and production sites</u> <ul style="list-style-type: none"> Bukit Minyak, Pulau Pinang Simpang Ampat, Pulau Pinang Klang, Selangor 	

Key Achievements

The year 2024 marked a truly significant milestone in the history of our Group as we launched our prospectus on 20 May 2024 in conjunction with our Initial Public Offering ("IPO") exercise. The prospectus provides a comprehensive overview of our financial position, competitive strengths, business strategies, future plans, and potential risks.



Prospectus launch on 20 May 2024

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS (CONT'D)

Key Achievements (Cont'd)

Following the launch of our prospectus, our Group was successfully listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 21 June 2024. This significant achievement marks a major milestone in our growth journey, and we are confident that it will help us in securing funds to seize growth opportunities as they arise. The successful listing further strengthens our position in the market, enhances our reputation and provides a solid foundation for the continued expansion and success of our Group. The achievement we celebrate today is a testament to the efforts and dedication of our workforce.



Listing day on ACE Market on 21 June 2024

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS (CONT'D)

Key Achievements (Cont'd)

Expansion of Product Offerings

Our journey began in 2009 with the sourcing and distribution of plant-based agricultural food ingredients, including starch products, beans and pulses, grains and other related products, marketed under our house brands 'POKOK AGRICORE' and 'SunRise' as well as third-party brands. In 2015, we introduced fried shallots under the house brand 'CAP POKOK'. Recognising the demand for food additives, we initiated R&D in 2020 with one executive, expanding to five executives and assistants in 2024, led by the department head with PhD doctorate qualification. By 2024, we have successfully developed 62 food additive formulations, of which 49 were commercialised under the brand 'BAPAS'. 23 of these were developed through in-house R&D, and the rest were based on industry-standard formulations.

Expansion of Sourcing Network

Starting in 2009, we sourced beans and pulses from Myanmar, then expanded to Australia in 2010. By 2011, we added soybeans from Canada and the USA, along with corn starch from South Korea. Over subsequent years, we diversified to include suppliers from Thailand, Germany, China, Denmark, Turkey, Ukraine, Vietnam, Poland, and Indonesia. As at FYE 2024, our plant-based ingredients are sourced from 15 countries, including Malaysia.

Expansion of Storage and Production Facilities

Initially operating from rented premises in Pulau Pinang, our Group acquired the Bukit Minyak Premises in 2011. Phase 1 construction in 2014 established office and storage facilities. By 2018, Phase 2 added 39,316 sq ft, including dry storage, cold rooms, and office space. In 2022, Phase 3 introduced additional storage, a third cold room, docking space, an R&D lab, and a food additive production site. In 2023, the production of fried shallots expanded to a larger rented factory, doubling capacity to two lines. Food additive production also scaled up to six mixing machines. In 2024, we expanded our storage facilities with addition of 33,400 sq ft by setting up a new rented warehouse in Klang, Selangor.

Expansion of Customer Base and Markets

Our first export sale occurred in 2013 to Indonesia, followed by Singapore the same year. By 2014, our customer base reached 511 customers. From 2015 to 2020, this expanded to 796 customers. In 2019, we entered the Australian and Hong Kong markets, followed by China in 2021. By 2024, our customer base had grown to 1,125, covering local markets and 3 export markets, including food manufacturers, commercial farmers, F&B businesses, wholesalers and retailers.



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS (CONT'D)

2009

Agricore CS Sdn. Bhd. was incorporated on 3 February 2009 and commenced its business in the sourcing and distribution of plant-based agricultural food ingredients under our house brands 'POKOK AGRICORE' and 'SunRise' as well as third party brands.

2011

As our business expanded, we acquired our Bukit Minyak Premises, a land measuring 115,852 sq ft to construct our office, storage building and production facilities.

2013

We recorded our first export sale in 2013 when we secured our first sale to a customer in Indonesia, marking the beginning of global expansion. We further expanded our global reach when we secured a customer in Singapore in the same year.

2018

Agricore CS Sdn. Bhd. is certified with HALAL and MeSTI certifications for all products.

2017

Bapas Food Products Sdn. Bhd. obtained HALAL and MeSTI certifications for fried shallots.

2015

- Agricore CS Sdn. Bhd. was awarded SME100 award as a fast-moving company.
- Establishment of Bapas Food Products Sdn. Bhd. to undertake production and sale of fried shallots under our house brand 'CAP POKOK'.

2019

- Agricore CS Sdn. Bhd. is accredited with ISO 9001:2015 certifications.
- Agricore CS Sdn. Bhd. was awarded with Penang Top Achievers for industry excellence in raw food trading.
- We widened into new export markets by securing our first customers in Australia and Hong Kong.

2020

- Bapas Food Products Sdn. Bhd. certified with Buatan Malaysia for fried shallots.
- Bapas Food Products Sdn. Bhd. obtained HALAL certifications for food additives.

2021

- Agricore CS Sdn. Bhd. was awarded Super Golden Bull.
- We began production of food additives under our house brand 'BAPAS', which further expanded our product portfolio.
- We further expanded our export market to China.

2022

- Agricore CS Sdn. Bhd. was awarded Superbrands.
- Bapas Food Products Sdn. Bhd. obtained MeSTI certifications for food additives.

2023

- Incorporation of Agricore CS Holdings Berhad on 16 May 2023.
- Bapas Food Products Sdn. Bhd. obtained GMP and HACCP certifications for food additives.

2024

Agricore CS Holdings Berhad successfully listed on the ACE Market of Bursa Securities.

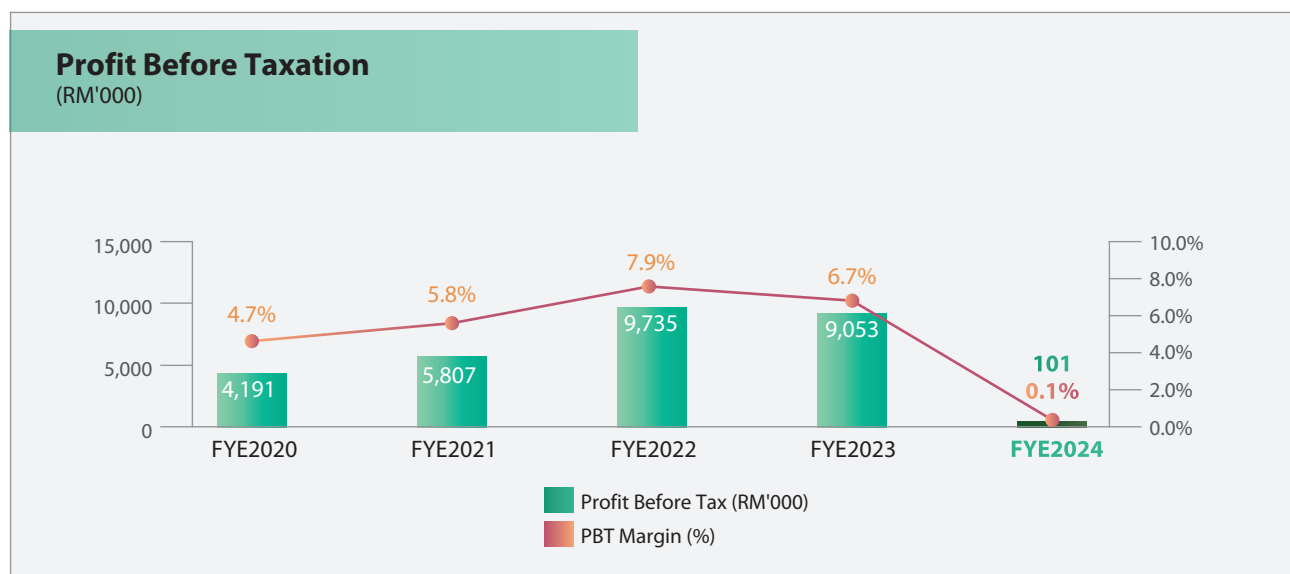
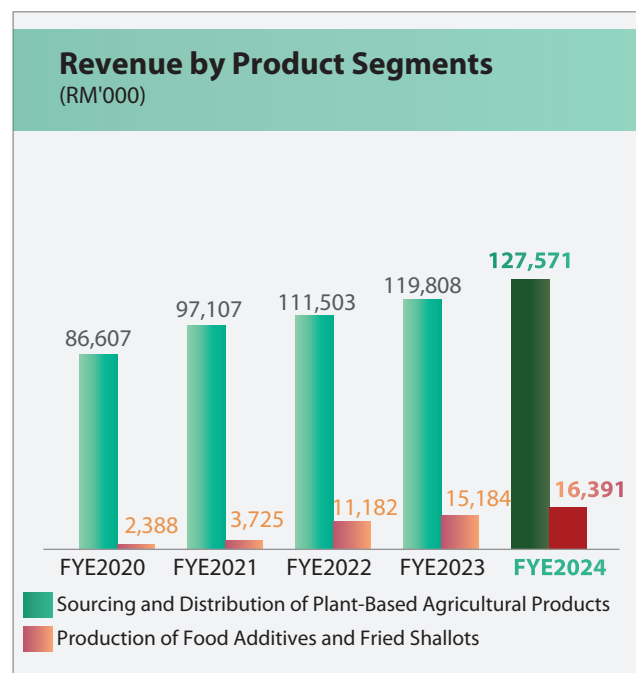
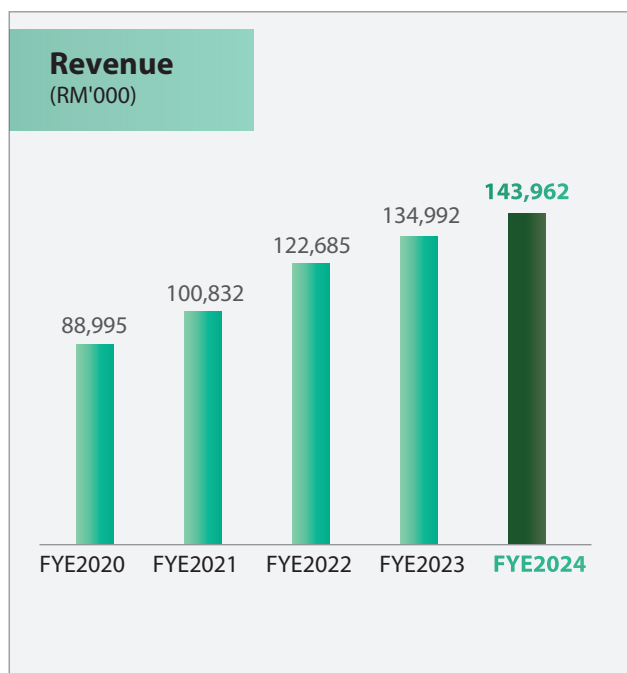
MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS (CONT'D)

Principal Markets

Our customer base includes Malaysia, Singapore, Indonesia and Australia. Our Group's principal market is in Malaysia, contributing approximately RM143.5 million or 99.7% of our revenue for FYE 2024, compared to RM132.9 million or 98.5% in FYE 2023. While revenue contribution from the overseas markets are relatively small at this moment, there are rooms for the Group to venture into and increase contribution from overseas markets, particularly our food additives and fried shallots products in the near future.

FINANCIAL REVIEW

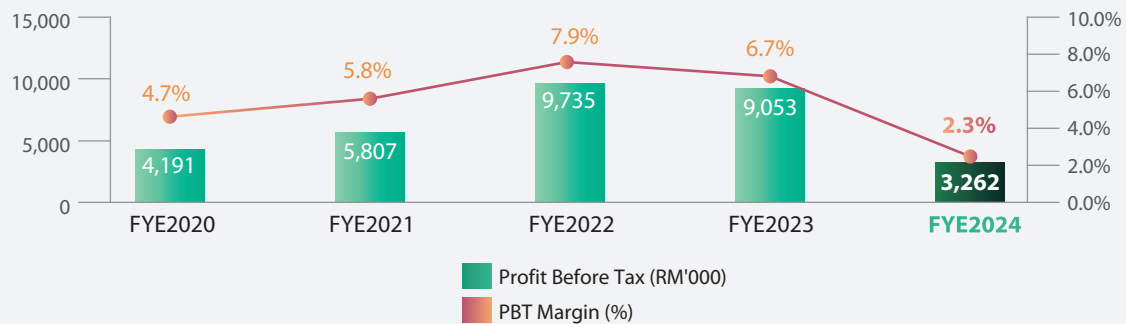


MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

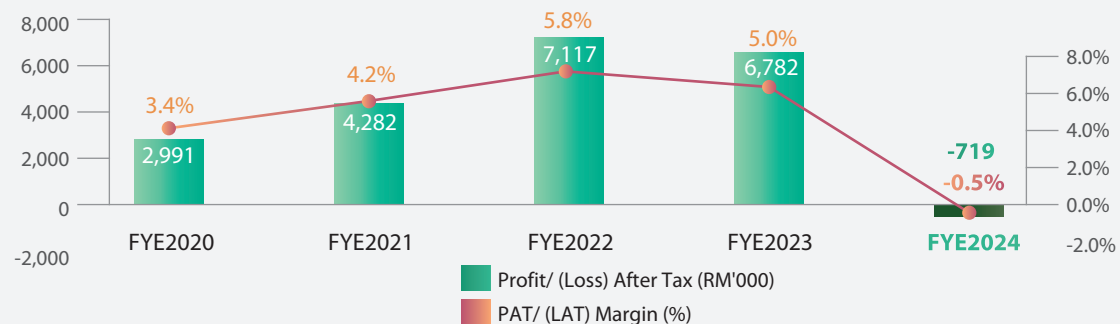
FINANCIAL REVIEW (CONT'D)

Profit Before Taxation

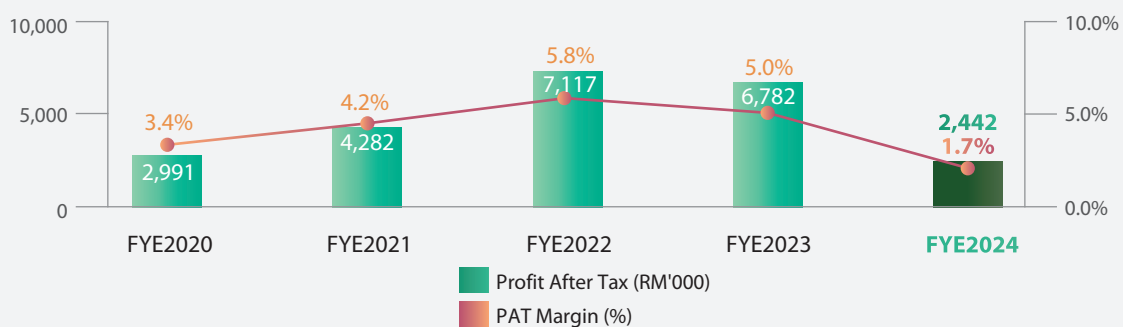
(RM'000) Adjusted to add back one-off non-recurring listing expenses

**Profit / (Loss) After Taxation**

(RM'000)

**Profit / (Loss) After Taxation**

(RM'000) Adjusted to add back one-off non-recurring listing expenses



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL REVIEW (CONT'D)

Note :

- 1) The above consolidated financial statements are prepared as if the combined entity had been in existence throughout the reported periods.
- 2) Profit before and after taxation for FYE 2024 were inclusive of a one-off charge-out of listing expenses amounted to RM3.1 million. Should the listing expenses of RM3.1 million be excluded from the results, the Group would have achieved a net profit of RM2.4 million for FYE 2024.

Our Group achieved a revenue of RM144.0 million for FYE 2024 representing a 6.7% increase compared to RM135.0 million in FYE 2023. Despite the revenue growth, our profit before taxation ("PBT") declined by 98.9%, from RM9.1 million in FYE 2023 to RM0.1 million in FYE 2024.

The sourcing and distribution of plant-based agricultural products contributed 88.6% of total revenue, compared to FYE 2023 of 88.8%, the revenue increased by 6.5% from RM119.8 million in the previous year to RM127.6 million in FYE 2024. Meanwhile, the production of food additives and fried shallots segment accounted for 11.4% of revenue, compared to FYE 2023 of 11.2%, grown by 7.9% from RM15.2 million to RM16.4 million during the same period.

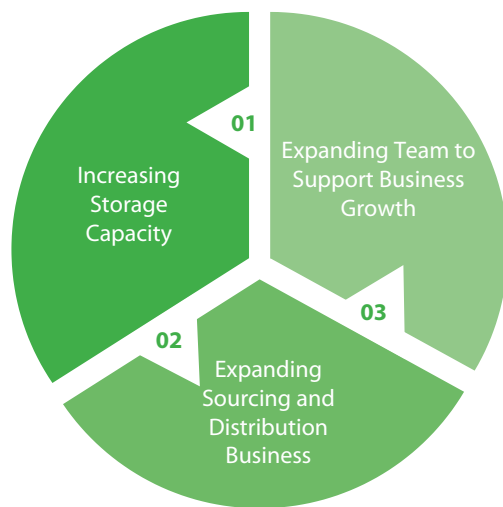
Gross profit fell by 18.1%, from RM19.3 million in FYE 2023 to RM15.8 million in FYE 2024. PBT decreased to RM0.1 million, with the PBT margin narrowed to 0.1% compared to 6.7% in the previous financial year. Profit after taxation attributable to owners of the parent ("PAT") fell from RM6.8 million in FYE 2023 to loss after taxation ("LAT") of RM0.7 million in FYE 2024. The reduction in PBT and consequential LAT was primarily due to the unfavourable sales mix of the plants based agricultural products that recorded higher contribution from lower margin starch products, higher administrative and other expenses, including costs related to listing activities of RM3.1 million, higher forwarding and transportation charges in tandem with the increase in revenue and imposition of 6% Sale and Service Tax effective 1 March 2024 and increase in salary costs as a result of additional recruitment to support our business growth and to retain existing management staff and employees. After all, should the listing expenses of RM3.1 million be excluded from the results, the Group would have registered a net profit of RM2.4 million in FYE 2024.

As for FYE 2024, our Group maintained a strong balance sheet with a cash and cash equivalents position of RM16.6 million, after excluding term deposits of RM4.9 million pledged as security.

Our financial position in FYE 2024 is robust, as indicated by a high current ratio of 3.0 times, compared to 1.7 times in FYE 2023, and a low debt to equity ratio of 0.4 times, compared to 0.9 times in FYE 2023. The reduction in our debt to equity ratio was primarily driven by a drop in bank borrowings/total equity, primarily due to utilisation of listing proceed for purchase of inventories.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OPERATION REVIEW



Increasing Storage Capacity

We expanded our storage capacity by establishing a newly rented 33,400 sq ft regional storage facility in Klang, Selangor, with operations commenced in September 2024. Prior to the setting up of the Klang warehouse, all plant-based products are stored at our Bukit Minyak Premises, which has had an average storage utilisation rate of 91.1% from FYE 2020 to 2024. The new facility will improve operational efficiency by enabling quicker deliveries to customers in the central and southern regions of Peninsular Malaysia. Upon fully operational, this regional storage facility is expected to contribute positively to our sourcing and distribution revenue in the near future.

The facility will also reduce logistics and transportation costs as products shipped to Port Klang can be stored there instead of being transported to Penang. This expansion will allow us to free up space at Bukit Minyak, enhance inventory levels, and grow our customer base in central and southern regions. This initiative reflects our commitment to improving service delivery, optimizing costs, and supporting our long-term business growth.

Expanding Sourcing and Distribution Business

To support our continued business growth, we plan to expand our sourcing and distribution business by increasing inventory levels, a key strategy to meet rising customers demand and drive revenue growth. From FYE 2020 to 2024, our sourcing and distribution segment achieved a revenue increasing from RM86.6 million to RM127.6 million. By maintaining higher inventory levels, we can fulfil larger orders for existing customers promptly, reduce dependency on alternative suppliers, and attract new customers by ensuring consistent product availability. This approach also helps mitigate supply disruptions during non-harvest seasons for critical products like soybeans and wheat starch, while providing a competitive edge in managing price fluctuations. This strategic move enhances our business resilience and positions us for sustained, long-term growth.

Expanding Team to Support Business Growth

As at 31 December 2024, our workforce stands at a total of 110 employees. As our business continues to grow, it is our ongoing plan to expand our team at the Bukit Minyak premises by recruiting additional employees to support our evolving operations. These additional hires include Business Development Manager to explore new markets and strategies, R&D Executive to enhance and develop food additive formulations, and Quality Assurance and Quality Control Executive to oversee product quality control, Sales Executives to drive customer acquisition and relationship management, and Logistics Executive to handle product deliveries and shipments.

CHALLENGES & RISKS

Threat of Competition

The food ingredients industry in Malaysia is both highly competitive and fragmented, with numerous players ranging from large private companies to small and medium enterprises all vying for market share. These players are engaged in various aspects of the industry, including sourcing, distribution, production, and/or manufacturing of diverse food ingredients. Furthermore, the barriers to entry in the sourcing and distribution segment, in which our Group operates, are relatively low. New entrants can often begin with minimal capital expenditure by focusing on sourcing and distributing a limited range of food ingredients. Additionally, industry players are not required to invest in production or manufacturing facilities; instead, they only need storage space for food ingredients, further reducing the capital outlay needed to enter the market. Food ingredients industry players generally compete in terms of product range, pricing, quality of products and services, delivery timing, amongst others.

To maintain our competitive edge, we not only ensure that our products consistently meet industry standards and regulatory compliance while actively engage with customers and stakeholders to gather valuable feedback. This ongoing dialogue helps us innovate and refine our products to better serve the evolving needs of the market.

In addition, our in-house R&D team, equipped with advanced food technology expertise, plays a crucial role in developing customised food additive formulations. These formulations are designed to meet our customers' unique requirements, enhancing various attributes such as texture, taste, appearance, and preservation properties of their products.

With over 15 years of experience in the food ingredients industry, we have developed a deep understanding of both the technical and practical aspects of food ingredients. This extensive knowledge enables us to offer tailored advice and recommendations to our customers, ensuring that the food ingredients we provide align with their specific applications and meet their production goals, whether in terms of desired end-product characteristics or budget considerations.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

CHALLENGES & RISKS (CONT'D)

Human Capital

We recognise that our employees are our most valuable assets. Their dedication, expertise, and the values they contribute are integral to the continued success and growth of our Group. The collective efforts of all our employees, across manufacturing, sales, operations, and support functions, are essential in driving us toward achieving our business objectives. By working together, we build on our successes, ensuring the long-term growth, sustainability, and competitiveness of the Group. Every department and team within our organization plays a crucial role in our success, and together, we are united in our commitment to excellence.

As our business operations expand, attracting and retaining top talent becomes increasingly important. By cultivating a dynamic and supportive work environment, we empower our employees to reach their full potential, driving the Group to new heights of performance and achievement. Their ongoing dedication and commitment are key to shaping our future and ensuring our sustained success.

To ensure we attract and retain the right talent, our Group conducts strategic headcount planning, invests in employees' professional development, and regularly reviews our remuneration and benefits packages to stay competitive in the market. We are committed to offering attractive career growth opportunities while fostering an environment that nurtures talent. In addition, we conduct regular employee engagement surveys to gather valuable insights into their concerns, satisfaction levels, and overall experience working with us. These surveys provide an essential platform for employees to share feedback, helping us identify areas for improvement. By actively listening to their perspectives, we can implement meaningful changes that enhance satisfaction, foster a positive work environment, and reinforce our commitment to continuous growth and development.

Moreover, we place a strong emphasis on upholding human and labour rights, ensuring a safe, inclusive, and supportive work environment that promotes employee well-being, engagement, and productivity. We are dedicated to maintaining a workplace where every individual is treated with respect and dignity. To support this, we provide a transparent and accessible grievance mechanism, enabling employees to raise any concerns related to human rights or workplace issues. This ensures our employees feel heard, valued, and empowered, contributing to a positive and respectful organizational culture.

Foreign Currency Exchange Fluctuation

We are exposed to risks arising from fluctuations in foreign exchange rates, which may have an impact on the profitability of our Group. These fluctuations occur as a result of the appreciation and depreciation of the foreign currency in which our transactions are denominated, relative to our Group's functional currency. A significant portion of our purchases is denominated in USD, while our revenue is primarily derived from sales to local customers, transacted in RM. For the FYE 2024, USD-denominated purchases made up 90.0% of our total Group purchases, as compared to 88.1% for FYE 2023. Consequently, foreign exchange fluctuations may influence our financial performance.

To effectively manage this risk, our Group closely monitors foreign exchange movements on an ongoing basis. Whenever possible, we seek to mitigate the impact of fluctuating exchange rates by passing on any increased costs to our customers. This strategy enables us to better manage potential volatility in foreign exchange rates and maintain stable financial performance.

DIVIDEND

Our Group currently does not have a formal dividend policy, and the dividend declarations are at the discretion of our Board. While our Board aims to recommend dividends for shareholders to participate in profits, our ability to pay dividends depends on factors such as having profits and excess funds available. As an investment holding company, our income and dividend payments rely on the dividends received from subsidiaries, which may require financiers' consent. Apart from compliance with solvency requirements, there are no legal or financial restrictions on our subsidiaries transferring funds to us. Future dividend payments by our subsidiaries will depend on their profits, financial condition, capital plans, and other relevant factors.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FORWARD-LOOKING STATEMENT

Malaysia's strategic location in Southeast Asia is ideal for food production and processing as the country sits astride vital air and shipping lanes with growing populations around the region, including People's Republic of China and India. The rich natural resources from land and sea are a springboard for research, cultivation, production and processing of foods while Malaysia's diverse population is an added advantage, given the deep cultural roots of food. The Malaysian food production and processing industry accounts for about 10.0% of the manufacturing sector's output and is growing at around 3.0% a year. According to Statista, a German online platform that specializes in data gathering, the food market in Malaysia is projected to grow at compound annual growth rate ("CAGR") of approximately 8.0% from 2023 to 2027, resulting in a market volume of USD69.4 billion by 2027.

The expansion of F&B manufacturing, processing, and food service industries, particularly as the economy recovers post-COVID-19, are expected to continue driving demand for food ingredients. Additionally, the government is promoting Malaysia as an international Halal food manufacturing hub. With the Department of Islamic Development Malaysia ("JAKIM") being a globally recognized Halal certification program, it will encourage companies to invest in Halal-compliant manufacturing services in Malaysia. On top of that, the country has the experience and expertise in the branding, processing and marketing of Halal food products and is recognised as a modern and progressive Muslim nation. There is much growth potential in the processing of Halal food sector, both in the domestic and overseas markets. The global Halal food market reached USD2.2 trillion in 2022 and is forecasted to grow at 11.1%, reaching USD4.1 trillion by 2028.

In alignment with these industry developments, we are strategically capitalizing on our competitive strengths, including the leadership of our experienced senior management team, who are driving the growth of their respective departments to propel the success of our Group. Additionally, our extensive supplier network empowers us to offer a diverse and comprehensive range of products that cater to the varied needs of our customers. As part of our ongoing growth strategy, we are expanding our storage capacity, boosting our sourcing and distribution capabilities by increasing inventory levels, and investing in workforce development to effectively support the growing demand. These initiatives will enable us to strengthen our operational efficiency, maintain flexibility, and ensure the long-term success and sustainability of our business.

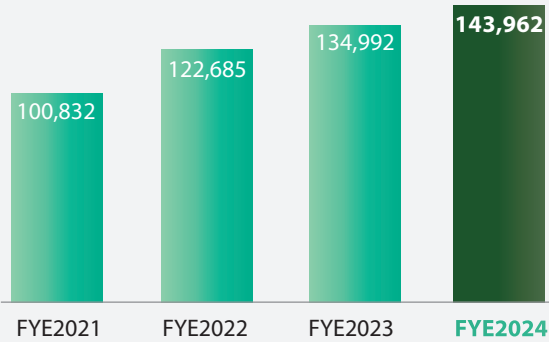
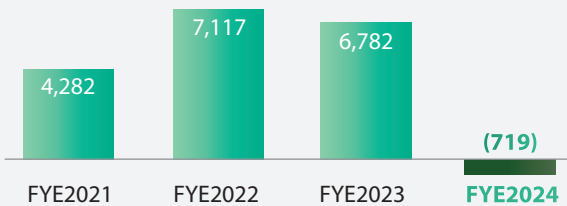
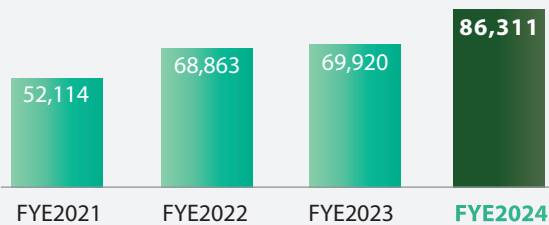
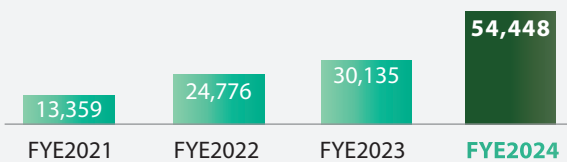
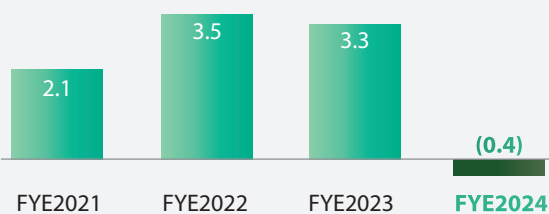
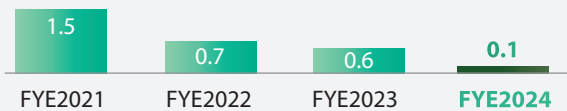
FINANCIAL HIGHLIGHTS

	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000
Financial Results				
Revenue	100,832	122,685	134,992	143,962
Gross Profit ("GP")	14,181	19,391	19,259	15,806
Profit Before Tax	5,807	9,735	9,053	101
Profit / (Loss) After Tax ("PAT" / "LAT")	4,282	7,117	6,782	(719)
Net Profit / (Loss) attributable to owners of the Company	4,282	7,117	6,782	(719)
Financial Positions				
Total Assets	52,114	68,863	69,920	86,311
Total Liabilities	38,755	44,087	39,785	31,863
Total Equity	13,359	24,776	30,135	54,448
Cash & Cash Equivalents	5,615	8,109	7,364	16,596
Financial Ratios				
GP Margin (%) ⁽¹⁾	14.1	15.8	14.3	11.0
PAT / (LAT) Margin (%) ⁽²⁾	4.2	5.8	5.0	(0.5)
Basic / Diluted Earnings per share (sen) ⁽³⁾	2.1	3.5	3.3	(0.4)
Current ratio (times)	1.2	1.5	1.7	3.0
Return on Equity (%)	32.1	28.7	22.5	(1.3)
Net Gearing ratio (times) ⁽⁴⁾	1.5	0.7	0.6	0.1
Net Asset / share (sen) ⁽⁵⁾	6.6	12.2	14.9	26.8

Notes:

- ⁽¹⁾ Calculated based on GP over Revenue.
- ⁽²⁾ Calculated based on PAT / (LAT) divided by Revenue.
- ⁽³⁾ Calculated based on net profit / (loss) attributable to owners of the Company divided by share capital of 202,800,000 shares.
- ⁽⁴⁾ Calculated based on net debt divided by total equity where net debt is total borrowing subtract cash & cash equivalents (net of pledged deposits).
- ⁽⁵⁾ Calculated based on net assets divided by share capital of 202,800,000 shares.

FINANCIAL HIGHLIGHTS (CONT'D)

Revenue
(RM'000)**Profit / (Loss) After Taxation**
(RM'000)**Total Assets**
(RM'000)**Total Equity**
(RM'000)**Basic / Diluted Earnings Per Share**
(sen)**Net Gearing Ratio**
(times)

CORPORATE DIRECTORY AND INFORMATION

BOARD OF DIRECTORS

FU YEW SUN

Independent Non-Executive Chairman

OON BOON KHONG

Managing Director/Chief Executive Director

KOAY HOOI LYNN

Independent Non-Executive Director

LEE SEOW LING

Independent Non-Executive Director

TEH BOON BENG

Independent Non-Executive Director

DATUK KEH CHUAN SENGNon-Independent Non-Executive Deputy Chairman
(Resigned on 22 March 2025)

AUDIT AND RISK MANAGEMENT COMMITTEE

Koay Hooi Lynn (Chairman)
Lee Seow Ling
Teh Boon Beng

NOMINATING COMMITTEE

Teh Boon Beng (Chairman)
Koay Hooi Lynn
Lee Seow Ling

REMUNERATION COMMITTEE

Lee Seow Ling (Chairman)
Koay Hooi Lynn
Teh Boon Beng

COMPANY SECRETARIES

How Wee Ling
MAICSA 7033850
SSM PC No. 202008000869
Ooi Ean Hoon
MAICSA 7057078
SSM PC No. 202008000734

REGISTERED OFFICE

57-G, Persiaran Bayan Indah
Bayan Bay, Sungai Nibong
11900 Bayan Lepas
Pulau Pinang
Telephone: +604-640 8933
Facsimile: +604-643 8911
Email: sec@rtalliance.com

HEAD OFFICE

1173, Jalan Perindustrian Bukit Minyak 2
Kawasan Perindustrian Bukit Minyak
14100 Bukit Mertajam
Pulau Pinang
Telephone: +604-505 7766
Facsimile: +604-505 7799
Email: corporate@agricore.com.my
Website: www.agricore.com.my

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Crowe Malaysia PLT
(201906000005 (LLP0018817-LCA) & AF 1018)
Chartered Accountants
Level 6, Wisma Penang Garden
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10050 George Town
Pulau Pinang
Telephone: +604-227 7061

SPONSOR

M & A Securities Sdn. Bhd.
45 & 47, Levels 3 and 7
The Boulevard, Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Telephone: +603-2284 2911
Facsimile: +603-2283 1019

SHARE REGISTRAR

Tricor Investor and 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
Telephone: +603 - 2783 9299
Facsimile: +603 -2783 9222
Email: is.enquiry@vistra.com

BANKERS

Alliance Bank Malaysia Berhad
Malayan Banking Berhad
RHB Bank Berhad
CIMB Bank Berhad
Public Bank Berhad

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Name: AGRICOR
Stock Code: 0309
Date of Listing: 21 June 2024

SUSTAINABILITY STATEMENT

Introduction

Agricore CS Holdings Berhad and its subsidiaries ("Agricore CS Group" or "Group") are proud to present our first Sustainability Statement ("Statement") for financial year ended 31 December 2024 ("FYE 2024"). This Statement provides a comprehensive overview of our commitment to sustainability, highlighting our performance and key achievements in relation to sustainability. It serves as a reflection of our ongoing efforts to integrate sustainability into our operations and demonstrates the strides we have made in advancing sustainable practices across the Group.



We have prepared this Statement in compliance with the ACE Listing Requirements issued by the Bursa Malaysia Securities Berhad ("Bursa Securities") and referred to the Bursa Securities Sustainability Reporting Guide 3rd Edition and Toolkits.

This Statement should also be read alongside other sections in this Annual Report namely Management Discussion and Analysis, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control, and our Corporate Governance Report, as sustainability efforts may be better contextualised and narrated in the respective sections.

Reporting Period

This Statement covers the financial reporting period from January 2024 to December 2024. Where possible, we also include information from previous years to provide a comparable data.

Scope and Basis of Scope

This Statement provides information on our sustainability performance of our key operations including Agricore CS Sdn. Bhd. ("Agricore") and Bapas Food Products Sdn. Bhd. ("Bapas"), unless otherwise stated.

Assurance Statement

All the performance data indicators for our material sustainability matters, as published in this Statement, have been validated by the internal auditors and has been approved by the Board of Directors.

Availability

This Statement is made available on our Company's website at <https://www.agricore.com.my/investor-relations/corporate-governance/>.

Point of Contact

We welcome and encourage our stakeholders to provide feedback pertaining to this Statement. Comments and questions can be directed to our designated email address at corporate@agricore.com.my.



SUSTAINABILITY STATEMENT (CONT'D)

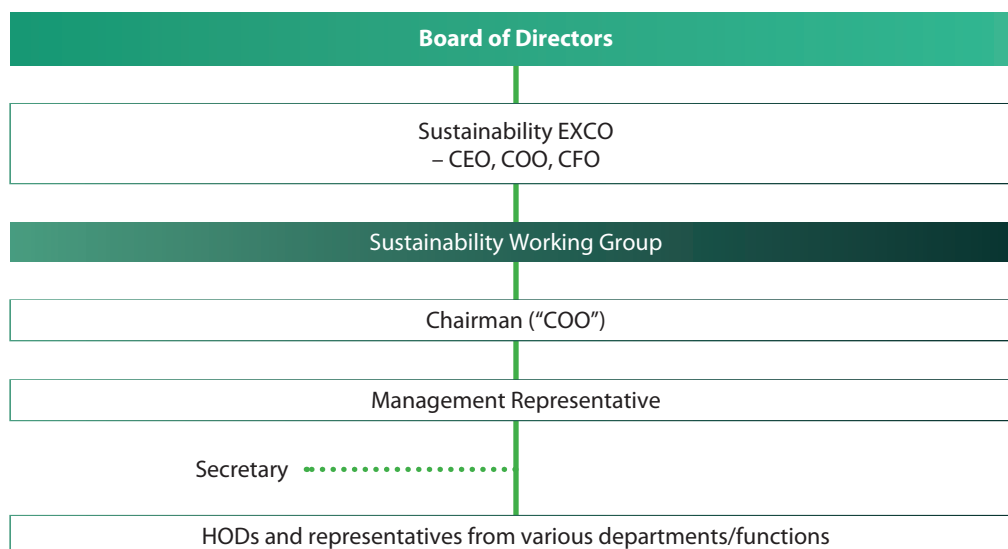
Sustainability Governance

We are committed to create a sustainable future for our planet, communities, and business. We recognise the critical importance of responsible and ethical practices that preserve our environment, enhance social well-being, and drive economic prosperity. Our commitment to sustainability is an integral part of our values, culture, and strategic vision. The Board of Directors (the "Board") is committed to integrating good sustainability practices into all business processes and operation of the Group.

The Group has established Sustainability Policy and Framework that guide our operations in a responsible manner, ensuring that we create enduring value for our stakeholders. By adhering to these principles, we not only enhance our long-term performance and resilience but also strive to become a premier, sustainable food ingredients supplier. Besides, it also reinforces the pivotal role that sustainability holds within our organisation and the broader capital market arena. Our Sustainability Policy reflects our commitment to sustainability, encompassing a wide range of areas across our operations, aimed at creating a positive impact on Economic, Environmental, Social and Governance ("EESG") aspects.

To ensure an effective delivery of our sustainability efforts, the Board has instituted a governance structure. The Board has delegated the oversight role to the Sustainability Executive Committee ("Sustainability EXCO") consists of the Chief Executive Officer ("CEO"), Chief Operating Officer ("COO") and Chief Financial Officer ("CFO") to review and administer sustainability matters conducted by the Sustainability Working Group ("SWG"). The SWG is led by COO who is assisted by the selected Management Representative. The COO oversees the proper implementation of the sustainability strategy. He evaluates overall sustainability risks and opportunities. Although the Board has delegated the oversight role to the EXCO, the Board is still ultimately responsible for the Group's sustainability.

The reporting structure of the SWG is illustrated in the diagram below:

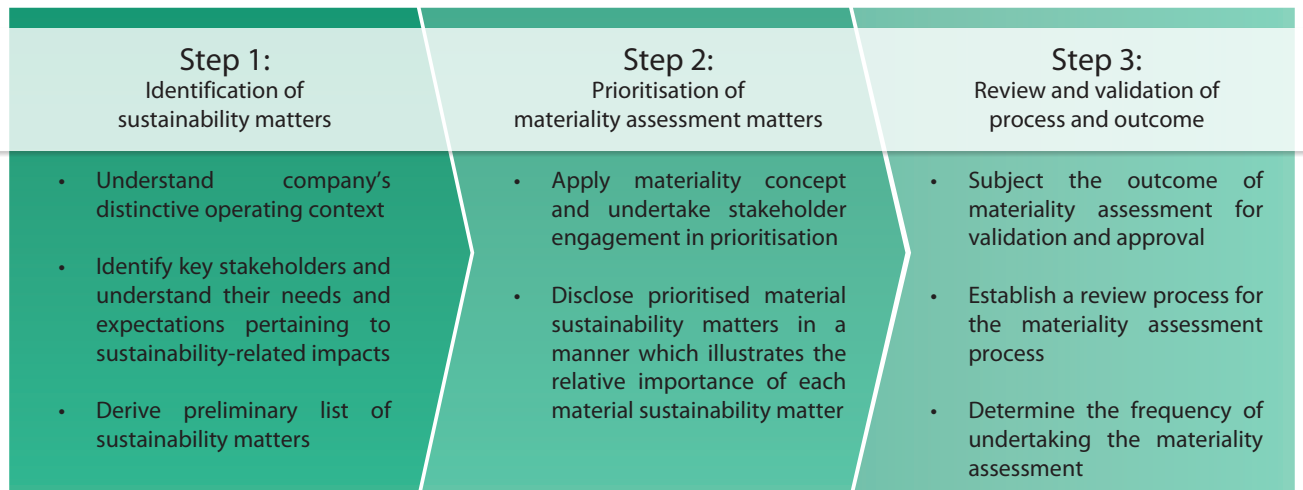


Governance Structure	Roles and Responsibilities
Board of Directors	<ul style="list-style-type: none"> Hold the ultimate responsibility for the Group's sustainability management. With the support from Sustainability EXCO, oversee the Group's management on material sustainability matters including but not limited to sustainability strategies, priorities and targets; Review and adopt strategic plan for the Group taking into consideration long-term value creation which includes strategic on economic, environmental and social considerations underpinning sustainability; and Set the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks including understanding the sustainability issues relevant to the Group and its business, including climate-related risks and opportunities.
Sustainability Working Group (Chaired by COO, supported by Management Representatives, HODs and representatives from various departments/functions)	<ul style="list-style-type: none"> Involves in strategic management of material sustainability matters, develop sustainability strategies, priorities and targets; Assess sustainability risks and opportunities, with an emphasis on climate-related issues, review the materiality assessment process; Involves in day-to-day implementation of sustainability related plans, tasks and initiatives; and Gather sustainability related data to keep track sustainability progress and finalise the sustainability statement for the Sustainability EXCO and Board's approval.

SUSTAINABILITY STATEMENT (CONT'D)

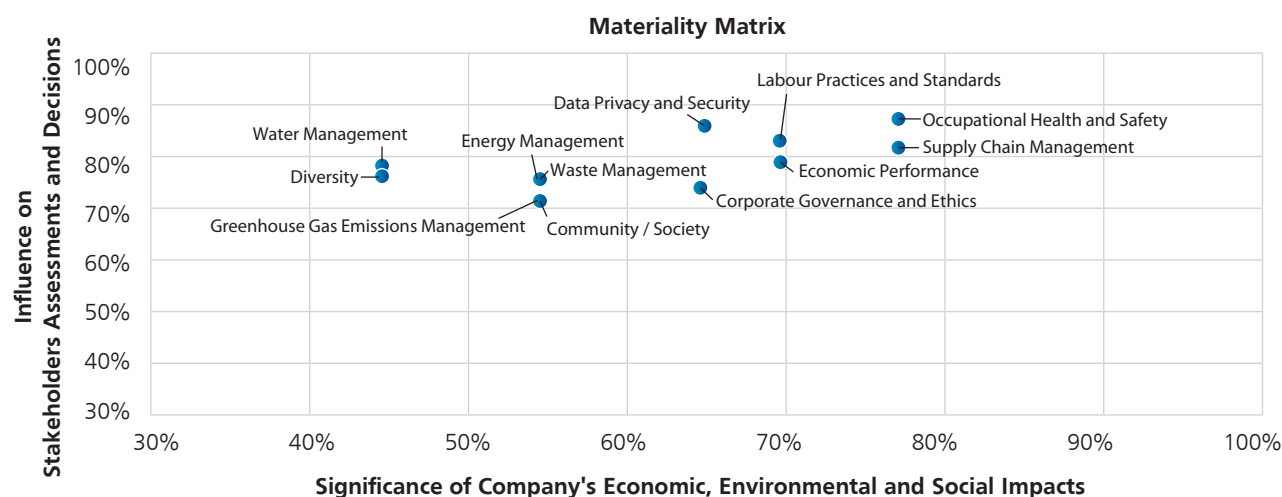
Materiality Assessment

Our materiality assessment encompasses three (3) key steps as outlined below:



As an organisation, we recognise that our material issues can significantly influence our ability to deliver long-term value to our stakeholders, both directly and indirectly. We also understand the critical importance of performing a materiality assessment and engaging with our stakeholders to identify and gain insights into their needs and expectations regarding sustainability-related impacts.

In line with this, during FYE 2024, we conducted a comprehensive materiality assessment, gathering input from both internal and external stakeholders - including employees, management, investors, customers, suppliers and government entities. This assessment resulted in the identification of a total of twelve (12) material sustainability matters, which were assessed and rated by the stakeholders through a detailed survey. The gathered data was then analysed and plotted on a materiality matrix to illustrate the relative importance of each material sustainability matter, based on its significance to the Group and to our stakeholders. The results of materiality assessment, including the materiality matrix was subsequently reviewed by the Management and approved by the Board.










Economic	Environmental	Social	Governance
<ul style="list-style-type: none"> Economic Performance Supply Chain Management 	<ul style="list-style-type: none"> Energy Management Greenhouse Gas Emissions Management Water Management Waste Management 	<ul style="list-style-type: none"> Diversity Occupational Health and Safety Labour Practices and Standards Community / Society 	<ul style="list-style-type: none"> Corporate Governance and Ethics Data Privacy and Security

SUSTAINABILITY STATEMENT (CONT'D)

Stakeholder Engagement

Stakeholder engagement is an important process for understanding their expectations and concerns. At Agricare CS Group, we view stakeholder engagement as an ongoing process that is central to our business operations. The following summarises our stakeholders, their needs and expectations, how we engage with them and the frequency of engagement:

Stakeholder Group	Sustainability Concerns	Type of Engagement	Frequency
Shareholder/ Investor 	<ul style="list-style-type: none"> Economic performance Compliance with relevant laws and regulations 	<ul style="list-style-type: none"> Annual General Meeting Annual Reports Quarterly financial reports Corporate visits Corporate website 	<ul style="list-style-type: none"> Annually Quarterly As and when needed
Customer 	<ul style="list-style-type: none"> Customer satisfaction Data privacy and security Product qualities 	<ul style="list-style-type: none"> Customer satisfaction surveys Customer audit Customer meetings Site visits 	<ul style="list-style-type: none"> Annually As and when needed
Management 	<ul style="list-style-type: none"> Economic performance Corporate governance and ethics Compliance with relevant laws and regulations 	<ul style="list-style-type: none"> Management review Meetings 	<ul style="list-style-type: none"> Annually Quarterly Monthly As and when needed
Employee 	<ul style="list-style-type: none"> Diversity Occupational health and safety Labour practices and standards 	<ul style="list-style-type: none"> Annual appraisals Whistleblowing channel 	<ul style="list-style-type: none"> Annually As and when needed
Supplier 	<ul style="list-style-type: none"> Supply chain management Corporate governance and ethics Compliance with relevant laws and regulations 	<ul style="list-style-type: none"> Supplier performance evaluations 	<ul style="list-style-type: none"> Annually As and when needed
Government 	<ul style="list-style-type: none"> Corporate governance and ethics Compliance with relevant laws and regulations 	<ul style="list-style-type: none"> Participation in programs organised by regulatory bodies Regular site visits 	<ul style="list-style-type: none"> Annually As and when needed
Local communities 	<ul style="list-style-type: none"> Corporate social responsibility ("CSR") programs 	<ul style="list-style-type: none"> Volunteering programs and CSR events 	<ul style="list-style-type: none"> As and when needed

SUSTAINABILITY STATEMENT (CONT'D)

Sustainability Targets and Data

Sustainability Pillars and Matters	Targets and Goals	FYE 2024 Performance
Economic		
<ul style="list-style-type: none"> Economic Performance Supply Chain Management 	<ul style="list-style-type: none"> Deliver financial values to shareholders such as growth in revenue and earnings and dividend pay out Promote purchases from local suppliers 	<ul style="list-style-type: none"> Revenue grew by 6.7% 14% spending with local suppliers
Environmental		
<ul style="list-style-type: none"> Energy Management Greenhouse Gas ("GHG") Emissions Management Water Management Waste Management 	<ul style="list-style-type: none"> Effective in energy, climate change, water and waste management 	<ul style="list-style-type: none"> 467.16 Megawatt of energy consumed 6.246 Megalitres of water consumed
Social		
<ul style="list-style-type: none"> Diversity Occupational Health and Safety Labour Practices and Standards Community/ Society 	<ul style="list-style-type: none"> Promote diversity and inclusivity at workplace Zero case of work-related fatalities Zero substantiated complaints concerning human rights violations Contribute to the wellbeing and living standard of local community 	<ul style="list-style-type: none"> 33.33% of the Board is represented by female Zero case of work-related fatalities Zero substantiated complaints concerning human rights violations Contributed a total of RM3,280 in CSR program
Governance		
<ul style="list-style-type: none"> Corporate Governance and Ethics Data Privacy and Security 	<ul style="list-style-type: none"> Zero confirmed incidents of corruption Zero substantiated complaints concerning breaches of customer privacy and losses of customer data 	<ul style="list-style-type: none"> Zero confirmed incidents of corruption Zero substantiated complaints concerning breaches of customer privacy and losses of customer data

ECONOMIC

Economic Performance

Our commitment to economic sustainability focuses on promoting financial stability, driving growth, and ensuring shared prosperity for our organisation and stakeholders.

Our Group's revenue grew from RM135.0 million in FYE 2023 to RM144.0 million in FYE 2024. This growth highlights the sustainability of our business and positions us for future expansion, driven by the continuous demand for food ingredients and the need to enhance food security in the country.

At Agricare CS Group, customer satisfaction is a top priority, as it directly reflects the effectiveness and efficiency of our services. By meeting and exceeding customer expectations, we ensure that our products and services consistently align with high standards, paving the way for continuous improvement.

To enable our sales team efficiently fulfil customer requests and close sales, we leverage a mobile application integrated with our inventory system which provide real-time inventory updates. Additionally, we offer in-house repacking services to accommodate specific customer requirements, enhancing both operational efficiency and customer satisfaction. By establishing a new regional storage facility, we aim to provide better service and timely delivery to customers in the central and southern regions of Peninsular Malaysia, facilitating business expansion and closer proximity to potential customers. By increasing inventory levels, we are well-positioned to meet customers demand during non-harvest seasons, secure new customers, and reduce reliance on alternative suppliers. This strategy also allows us to gain a competitive edge by mitigating the impact of price fluctuations and offering better pricing to our customers, further strengthening our reputation in the food ingredients industry and supporting growth in local and export markets.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC (CONT'D)

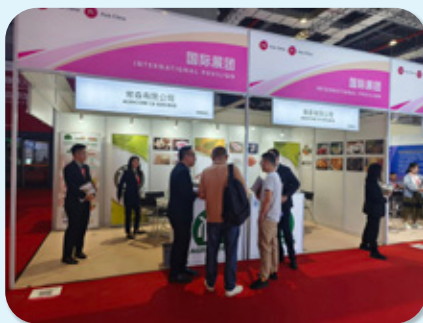
Economic Performance (Cont'd)

We place great value on customer feedback, recognising it as an essential compass for identifying areas of improvement and addressing potential issues. Every comment, suggestion, and concern shared by our customers provides us with invaluable insights into how we can enhance our offerings and deliver even better solutions. We firmly believe that the voice of our customers is not just important—it is fundamental to the sustainability and growth of our business. By listening to and acting on their feedback, we can strengthen relationships, build trust, and ensure that our Group remains a reliable and innovative partner in the industry. Together with our customers, we aim to achieve long-term success and continued excellence.

The customer satisfaction rates for Agricare CS Group, covering Agricare (Bukit Minyak and Klang) and Bapas (Bukit Minyak and Simpang Ampat), reflect an exceptional level of satisfaction among our valued customers. These results are a testament to our unwavering commitment to operational excellence across all business units. In 2024, our customer satisfaction score stood at 93.51%. This score was calculated based on key factors such as service quality, product performance, and delivery efficiency. This high score reflects the company's strong ability to meet customer expectations across these critical areas. While it highlights exceptional operational practices and customer satisfaction, the remaining 6.49% gap suggests opportunities for further improvement. By analysing detailed feedback, the company can refine its processes to enhance customer experience. Overall, this score positions the company as a leader in customer satisfaction, showcasing its commitment to excellence in service, product quality, and delivery performance.

Apart from ensuring our existing customers are satisfied with our products and services, we also proactively expanding into new markets and reaching potential customers to promote our products. To support this effort, we have actively participated in trade fairs and exhibitions, which serve as valuable platforms for engaging with a broader audience. These events not only enable us to strengthen relationships with customers but also provide opportunities to connect directly with end-consumers who buy our products through retail channels. Additionally, our participation in these events enhances our brand presence and visibility, helping us to build recognition and drive growth in new and existing markets.

Below are the trade fairs and exhibitions that we have participated:



19-21 June 2024

Hi & Fi Asia-China National Exhibition and Convention Center (NECC, Shanghai)



17-20 Sept 2024

MIHAS 2024 Malaysia International Trade and Exhibition Centre ("MITEC"), Kuala Lumpur

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC (CONT'D)

Economic Performance (Cont'd)



9-11 Oct 2024

Fi Saigon Vietnam 2024 Saigon Exhibition & Convention Center ("SECC")



5-7 Nov 2024

Gulf Food Manufacturing 2024 Dubai World Trade Centre, UAE

Food Safety and Quality

Agricore CS Group is committed to delivering quality products and services that meet customer satisfaction and requirements. Our in-house Quality Assurance ("QA") and Quality Control ("QC") team oversees the implementation and monitoring of quality assurance procedures, providing customers with confidence in the safety and reliability of our products.

To ensure the highest standards of product quality, we obtain Certificates of Analysis from our suppliers before product shipment and request third-party laboratory test reports from newly engaged suppliers to verify compliance with our specifications and quality standards. Upon customer request, we also engage third-party laboratories to conduct additional testing to validate product specifications and quality. Internally, the Group implements a stringent quality assurance policy, conducting thorough inspections throughout our processes to meet certifications. They are Makanan Selamat Tanggungjawab Industri ("MeSTI"), Good Manufacturing Practices ("GMP"), Hazard Analysis and Critical Control Points ("HACCP"), ISO 9001:2015 and Halal.

The MeSTI certification is a Malaysian initiative designed to ensure compliance with basic food safety and hygiene requirements. It ensures that Agricore's facilities adhere to proper sanitation protocols, maintain effective documentation practices, and implement traceability systems. This certification serves as a strong foundation for ensuring that all food products meet essential safety standards.

In addition to MeSTI, Bapas is certified under GMP, a globally recognised standard for maintaining consistent quality in food production. GMP emphasises strict hygiene practices, well-documented operational procedures, and quality assurance protocols. By adhering to GMP, the Group demonstrates its commitment to producing food products in a clean, controlled, and reliable environment.

Bapas also holds HACCP certification, which focuses on identifying and mitigating potential hazards within the food production process. This internationally recognised framework ensures that the Group takes a proactive approach to eliminate risks related to biological, chemical, and physical contaminants, thereby guaranteeing the safety of its products.



SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC (CONT'D)

Economic Performance (Cont'd)

Food Safety and Quality (Cont'd)

Moreover, Agricare's achievement of ISO 9001: 2015 certification reflects its adherence to a robust Quality Management System. This standard emphasizes continuous improvement, customer satisfaction, and consistency in meeting regulatory and consumer expectations. Through ISO 9001: 2015, Agricare showcases its focus on operational excellence and its ability to consistently deliver high-quality food products.

Lastly, the Group's Halal certification signifies its commitment to serving the needs of Muslim consumers by ensuring that all products are produced in compliance with Islamic dietary laws. This includes careful sourcing of raw materials, adherence to strict production guidelines, and compliance with Shariah principles. This certification not only highlights the Group's dedication to inclusivity but also reinforces its focus on cultural and religious sensitivities.

By achieving and maintaining these certifications, Agricare CS Group demonstrates a comprehensive approach to food safety and quality management. These certifications not only reflect its compliance with regulatory requirements but also its unwavering commitment to producing food products that inspire confidence among regulators, stakeholders, and consumers alike.



MeSTI Certification



GMP Certification



HACCP
Certification



ISO 9001:2015



MS 1500
1 095-04/2018
1 074-12/2016

Jakim Halal



Buatan Malaysia

We adhere to and comply with the Food Act 1983 and Food Regulations 1985, which govern food safety and quality control to protect public health and prevent fraud in food preparation, sale, and use. Non-compliance with prescribed standards or labelling requirements may result in fines or imprisonment. Additionally, the Food Hygiene Regulations 2009 require the registration of food premises involved in manufacturing, catering, preparation, or sale of food, with penalties for non-compliance. Our Bukit Minyak Premises and Simpang Empat Factory fully comply with these regulations and hold valid certificates of registration.

Innovation and Adaptation



In today's rapidly changing global landscape, the ability to innovate and adapt is no longer just a competitive advantage; it has become an essential requirement for long-term survival and success. For Agricare CS Group, operating in the fast-paced and dynamic food additive industry, continuous innovation is critical. It enables us to not only stay ahead of the competition but also to build resilience against disruptions and drive sustainable growth. Innovation allows us to maintain a competitive edge by developing unique, differentiated products that appeal to evolving customer needs, thereby attracting new customers and reinforcing our market position.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC (CONT'D)

Economic Performance (Cont'd)

Innovation and Adaptation (Cont'd)

The food industry is constantly confronted with challenges such as shifting consumer preferences, changing regulatory environments, and the rise of new technologies. To effectively navigate these disruptions, we rely on a strong innovation framework that helps us anticipate change and respond swiftly. By investing in research and development ("R&D"), we ensure that we are prepared to meet these challenges head-on, minimising risks and maintaining business continuity. Innovation also plays a key role in driving sustainable growth, creating new revenue streams, and improving operational efficiency, which in turn contributes to the broader economic prosperity, not only for Agricare CS Group but also for the broader Malaysian economy.

Agricare CS Group's approach to innovation is proactive and rooted in a culture that encourages creativity, experimentation, and continuous learning. We dedicate substantial resources to research and development, focusing on areas such as enhancing the functionality of our food additives, and discovering new applications for existing products. This commitment is evident in our historical R&D expenditure, which saw a steady increase from RM14,736 in 2020 to RM79,330 in 2022, reflecting a strong emphasis on innovation during this period. In 2023, R&D expenditure witnessed a significant surge, reaching RM567,162, driven by strategic investments in state-of-the-art research equipment and the expansion of our R&D team. This substantial investment in 2023 has yielded tangible benefits. The acquisition of cutting-edge research equipment and the expansion of our R&D capabilities have laid a strong foundation for future innovation. Consequently, the observed reduction in R&D expenditure to RM366,293 in 2024 reflects a strategic reallocation of resources. With the necessary infrastructure now in place, the focus has shifted towards maximising the utilisation of these resources by directing a greater portion of the budget towards critical areas such as research materials, talent development, and external collaborations. This strategic reallocation of R&D funds ensures that our investments continue to yield significant returns in terms of innovative product development, improved operational efficiency, and enhanced competitiveness. Market-driven innovation is a cornerstone of our strategy, as we rely on customer feedback and market research to ensure that our innovations address real-world needs and deliver genuine value. Collaboration with industry partners further accelerates the pace of innovation, allowing us to leverage external expertise and expand our capabilities. This customer-centric approach ensures that our innovations are not only technologically advanced but also effectively address the specific needs and preferences of our target market.

The focus areas of Agricare CS Group encompass a multifaceted approach to driving innovation. Firstly, we prioritise the development of innovative and sustainable food additives, exploring avenues such as the utilisation of novel raw materials, the development of new technologies for food additive production, and the creation of products with enhanced functionality and improved sustainability profiles. Secondly, we actively seek to expand our market reach by exploring new geographic markets, identifying new customer segments, and developing innovative distribution channels. Finally, we strive to enhance customer relationships by proactively addressing customer technical issues and developing new service offerings that better serve their specific needs and exceed their expectations. This customer-centric approach not only strengthens existing relationships but also identifies new opportunities for growth and innovation within the market.

By maintaining a relentless focus on innovation and research, we are not only enhancing our competitive advantage but also driving long-term growth and leadership in the food additive industry. Our commitment to adapting to market needs, coupled with a culture of creativity and collaboration, positions us to meet the challenges of the future and continue delivering high-quality products that benefit both our customers and the broader economy.

Through our ongoing commitment to food safety, quality, innovation and adaptation, we have earned numerous awards and recognitions. These reflect our dedication to maintaining the highest standards in our operations while consistently driving progress and excellence across all aspects of our business. Our focus on continuous improvement and responsiveness to market needs has positioned us as a leader in the industry, further solidifying our reputation for delivering exceptional products and services. Below are the awards and recognitions received by our Group in the past:

- SME 100 Awards 2015;
- Penang Top Achievers 2019 - Awarded Industry Excellence in Raw Food Trading;
- The Golden Bull Award 2021 - Super Golden Bull; and
- Superbrands Awards 2022.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC (CONT'D)

Economic Performance (Cont'd)

Innovation and Adaptation (Cont'd)



SME 100 Awards 2015



Penang Top Achievers 2019
Awarded Industry Excellence in Raw Food Trading



The Golden Bull Award 2021 Super Golden Bull



Superbrands Awards 2022

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC (CONT'D)

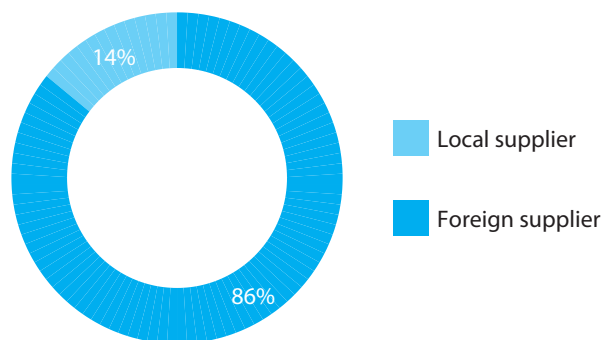
Supply Chain Management

We are committed to reducing environmental impact by collaborating with our suppliers to adopt more sustainable practices. This includes promoting local procurement to support local economies and reduce transportation emissions. We assess our suppliers' sustainability practices and encourage them to make improvements, prioritising products with lower environmental footprints to minimise our overall environmental impact.

We have established Procurement Policy which guides best practices for purchasing goods and services, ensuring fairness for all suppliers while maximising economic benefits. It covers direct and non-direct items, including renovations, operational supplies, and equipment. The Procurement Policy also spells out the tender and quotation process, which aims to ensure transparency, fairness, and competitiveness in supplier selection while securing the best value for the organisation. Our supplier selection process is grounded in a thorough evaluation of objective merits, ensuring that decisions are made based on measurable performance criteria, reliability and value.

Additionally, Purchasing Department will conduct annual supplier evaluation towards suppliers, covering criteria such as quality, price, timeliness and reputation. Based on the annual supplier evaluation results, we will work closely with the suppliers on the necessary improvement plans, enduring continuous growth and enhanced performance across all critical areas.

The proportion of spending on local suppliers is as below:



ENVIRONMENTAL

The World Economic Forum's Global Risks Report 2024 identified three major climate challenges facing humanity: extreme weather events, critical changes to Earth's systems — a new addition this year — and biodiversity loss and ecosystem collapse. Recognising the significance of these global challenges, we are committed to maintaining strong environmental performance and management throughout our operations, ensuring compliance with local and regional environmental laws and regulations.

Our dedication to sustainability encompasses various initiatives to reduce our ecological footprint, including energy efficiency, greenhouse gas ("GHG") emission reduction, water and waste management, and contributing to the overall health of our planet.

We adhere to all applicable provisions of the Environmental Quality Act ("EQA") 1974 and its associated regulations to prevent, mitigate, and control pollution while promoting environmental enhancement. These regulations guide us in improving business operations, ensuring compliance, and preventing misconduct.

Energy Management

Our energy management strategy is centred on implementing energy-efficient technologies and practices, adopting renewable energy sources to reduce carbon emissions, and monitoring and optimising energy consumption across operations to enhance sustainability and efficiency.

A notable example of our commitment to renewable energy is the installation of solar panels at the Bukit Minyak Premises. With a power capacity of 268 kilowatts peak, these solar panels generate electricity from sunlight, significantly reducing the carbon footprint of our operations. The electricity generated is used directly in our facilities, while any surplus is fed into the grid of Tenaga Nasional Berhad, contributing to the broader goal of sustainable energy use.

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENTAL (CONT'D)

Energy Management (Cont'd)



Solar Panels at Bukit Minyak Premises

In addition, we are dedicated to fostering a culture of energy conservation among our employees by encouraging simple yet impactful practices, such as turning off lights and equipment when not in use. To further enhance our energy management efforts, we ensure that air conditioner settings are maintained within an optimal temperature range of 24 to 26 degrees Celsius. Other measures included installing LED lights and tinting office windows to reduce heat. Our photocopy machines are also programmed to hibernate when inactive. These proactive measures are integral to our broader strategy to conserve electricity, reduce our carbon footprint, and minimise our overall environmental impact. Additionally, we have trained our staff to turn off their computers and all office lights before leaving. By empowering our employees to take part in these initiatives, we not only improve operational efficiency but also reinforce our commitment to sustainable practices throughout the organisation.

The total energy consumption is summarised as below:

	Unit	FYE 2024
Electricity	Megawatt	467.16

Greenhouse Gas Emissions Management

We have proactively taken steps to reduce our carbon footprint by transitioning from gas-powered to electric-powered forklifts in our warehousing operations. As at FYE 2024, 13 of our forklifts are electric-powered, effectively eliminating on-site emissions and reinforcing our commitment to sustainability. This initiative not only supports our environmental objectives but also underscores our dedication to adopting cleaner, more energy-efficient technologies. By investing in these electric forklifts, we are minimising our environmental impact while enhancing operational efficiency, further solidifying our role as a responsible and forward-thinking organisation.



Electric-Powered Forklifts

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENTAL (CONT'D)

Water Management

Our water management focuses on minimising water usage, promoting conservation and responsibly managing natural resources. All our operations source water from established water supply companies that are equipped with reliable water distribution infrastructure. Additionally, we ensure that our wastewater is discharged into the sewage system for proper treatment, ensuring no illegal discharges that could contribute to water pollution.

At present, our operations are not situated in water stressed areas. Nevertheless, we fully recognise the importance of effective water management. As such, we remain vigilant and proactive in water consumption to ensure responsible use of this vital resource, regardless of our operational location. We monitor our water consumption periodically and identify opportunities for further efficiency improvements to reduce our water consumption.

The total volume of water used is as below:

	Unit	FYE 2024
Water	Megalitres	6.246

Waste Management

We are dedicated to managing waste in strict compliance with regulatory requirements, while prioritising effective practices that minimise environmental impact and benefit surrounding communities. Recognising that waste generation is an inherent aspect of our production processes, we place a strong emphasis on reducing production waste as a key part of our broader commitment to environmental protection. To further support this objective, we have implemented a comprehensive 3R (Reduce, Reuse, and Recycle) program, which fosters a culture of sustainability and drives resource efficiency throughout our operations. This initiative not only helps reduce waste but also encourages responsible consumption and waste management practices across the organisation.



SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL



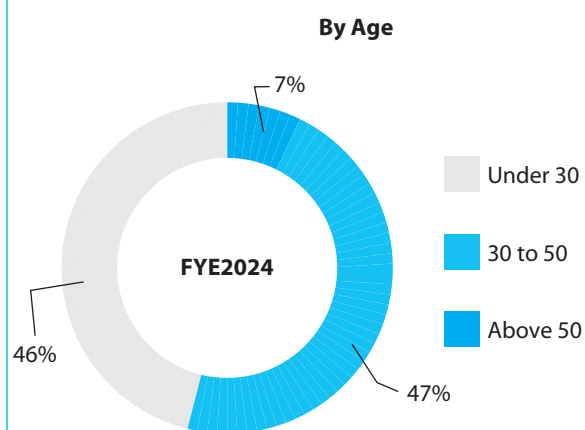
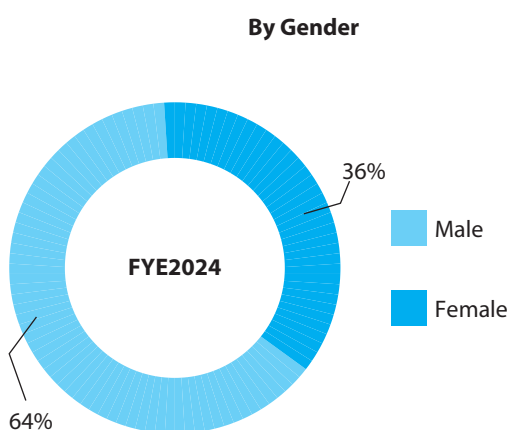
Our dedication to social sustainability encompasses a wide range of areas that focus on improving the well-being and quality of life for individuals and communities. Our Group is committed to act responsibly to all our stakeholders in our business operations as well as to the community in which we operate in.

Diversity

We are committed to fostering a diverse and inclusive workforce that values differences in gender, ethnicity, age, and background; while actively preventing discrimination and bias across the organization as we recognized the strength in having a diverse workforce and inclusive environment. We recognise that diversity is a source of strength, driving innovation and collaboration, and we are committed to creating an inclusive environment that everyone can thrive.

Our human resource processes such as recruitment, promotion and career development, are guided by objective criteria that focus on merit and skills, free from discrimination or bias. This approach reflects our commitment to providing equal opportunities for all employees.

The percentage of employees by gender and age group, for each employee category is tabulated as below:

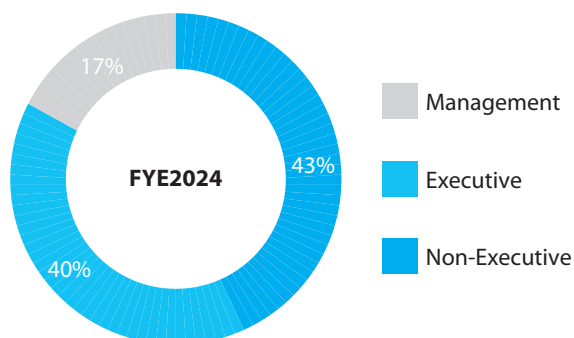


SUSTAINABILITY STATEMENT (CONT'D)

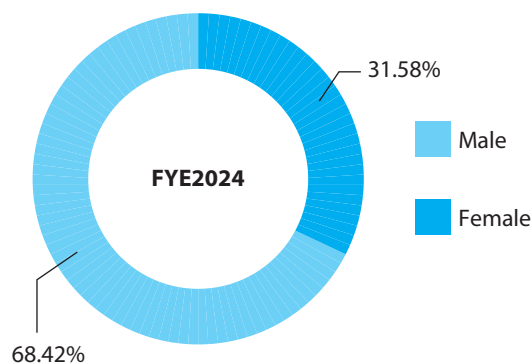
SOCIAL (CONT'D)

Diversity (Cont'd)

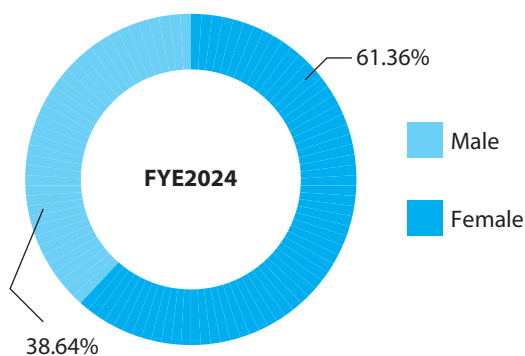
By Employee Category



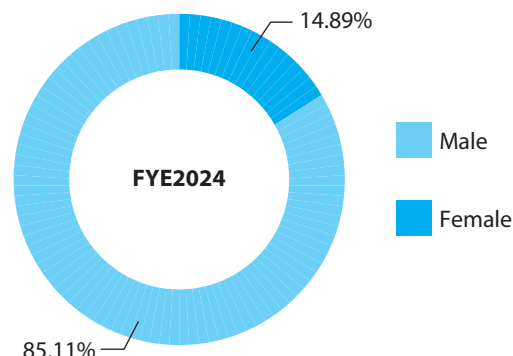
Gender by Employee Category (Management)



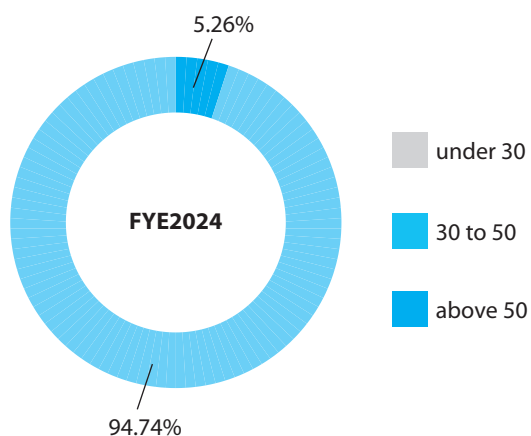
Gender by Employee Category (Executive)



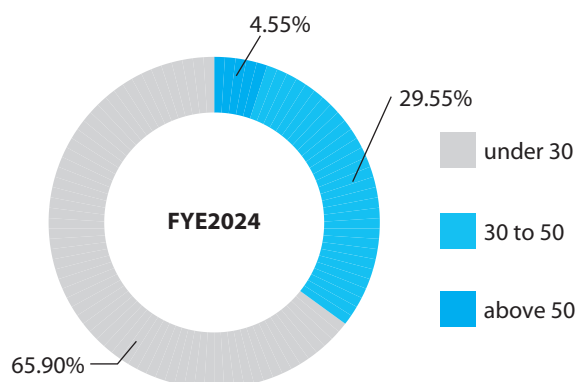
Gender by Employee Category (Non-Executive)



Age by Employee Category (Management)



Age by Employee Category (Executive)

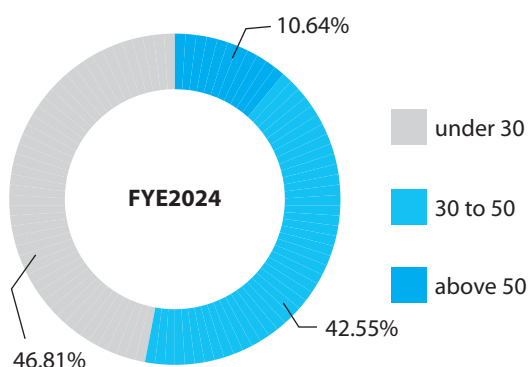


SUSTAINABILITY STATEMENT (CONT'D)

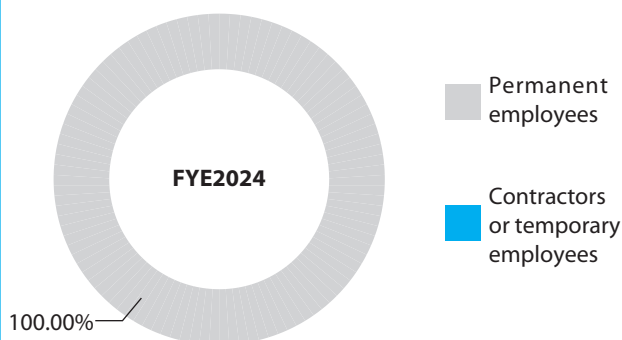
SOCIAL (CONT'D)

Diversity (Cont'd)

Age by Employee Category (Non-Executive)



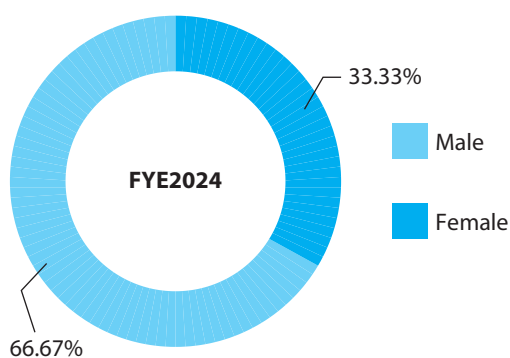
Employment Type



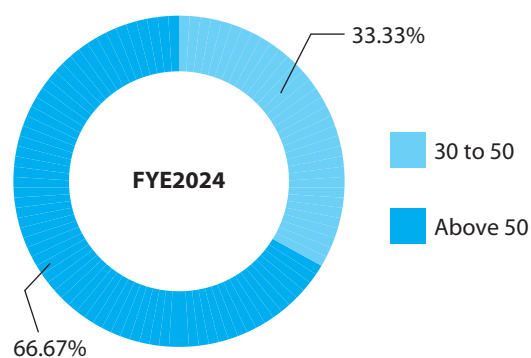
We also understand the critical role that diversity plays in effective decision making at the Board and Senior Management levels. Acknowledging its importance, we have established Board and Senior Management Diversity Policy, which sets out the approach to promoting diversity within these leadership roles. We value diversity in thought, perspective, skills, experience, background, age, ethnicity, race, and gender. In line with Bursa Malaysia's ACE Market Listing Requirements, the Board aims to have at least one female director and is working towards achieving 30% female representation by inducting qualified candidates over time. Board appointments consider a wide range of diversity factors, including gender, age, background, professional experience, and expertise.

The percentage of directors by gender and age group is summarised as below:

By Gender



By Age



SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

Occupational Health and Safety

The health, safety and well-being of our employees, contractors, visitors and communities are vital to our operations. We are committed to providing a safe and healthy work environment by adhering to occupational health and safety standards, implementing training to prevent workplace accidents, and promoting mental health awareness. We ensure we are full compliance with all applicable Occupational Safety and Health ("OSH") regulations as prescribed by Malaysian Department of Occupational Safety and Health ("DOSH").

In line of our commitment, we established OSH Policy to ensure a safe, healthy and compliant working environment for all. To ensure accessibility and clarity, the OSH Policy is provided in both English and Bahasa Malaysia, allowing all employees to fully understand the guidelines. We also conduct regular training and awareness program for our employees to reinforce these principles. In 2024, all our employees successfully completed OSH Awareness training, equipping them with essential safety practices and emergency preparedness.



Safety & Health Awareness Training



Fire Drill Training

The number of employees trained on health and safety standards are as follows:

	Unit	FYE 2024
Employees trained	Number	110

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

Occupational Health and Safety (Cont'd)

In addition, we ensure all equipment, facilities and operational processes adhere to the highest safety standards. Our priority is to safeguard the safety, health, and welfare of all individuals at work, protects others from workplace risks, and promotes a safe occupational environment. To further protect our employees, we provide personal protective equipment tailored to employees' roles and tasks.

We have established an Emergency Response Team ("ERT"), which is trained and ready to respond immediately to any incidents. We will report, document and address such incidents or non-compliance issues promptly and transparently. The ERT convenes regularly to proactively identify, assess and mitigate potential occupational safety and health risks, ensuring a continuous commitment to maintaining a safe and compliant work environment. In the event of an incident, we investigate and implement action plans to prevent recurrence, ensuring continuous improvement in safety standards.

The number of work-related fatalities and lost time incident rate are summarised as below:

	Unit	FYE 2024
Work-related fatalities	Number	0
Lost time incident rate	Rate	0

Labour Practices and Standards

We recognise that the success of any organisation is driven by a dedicated and engaged workforce. Therefore, we place great importance on valuing and supporting our employees, as this fosters their commitment and drives organisational success. Our commitment extends to creating a supportive workplace where employees feel empowered to voice concerns without fear of retaliation, maintaining reasonable working hours to promote a healthy work-life balance, and ensuring a safe and healthy environment that adheres to occupational health and safety regulations.

In alignment with the Employment Act ("EA") 1955 and other statutory obligations, our comprehensive human resource policy governs our employment practices. This policy includes initiatives such as flexible working arrangements and gender diversity, ensuring that we recognise and support the contributions of all employees. We are fully committed to ensuring that all our operations comply with relevant labour practices and standards.

By adhering to these principles, we prioritise the well-being, rights, and fair treatment of our employees, cultivating an ethical and supportive work environment. We continually assess and refine our policies to ensure they meet or exceed industry regulations, furthering a culture of respect, equality, and safety within our organisation.

The total number of substantiated complaints concerning human rights violations is as follows:

	Unit	FYE 2024
Substantiated complaints concerning human rights violations	Number	0

In addition to offering statutory benefits, we are committed to providing a comprehensive range of employment benefits and welfare programs to support the well-being of our employees. These benefits are designed to foster a positive work environment, enhance employee satisfaction, and promote work-life balance. Below are some key employment benefits and welfare initiatives we offer:

Statutory Benefits	Leave Provision	Employment Benefits & Welfare	Facilities
<ul style="list-style-type: none"> Adhere to Minimum Wages Annual Salary Increment National and State Public Holidays Overtime Payments Salary for Incomplete Month's Work Statutory Contributions (EPF, SOCSO, EIS and Income Tax) 	<ul style="list-style-type: none"> Annual Leave Compassionate Leave Emergency Leave Hospitalisation Leave Marriage Leave Maternity Leave Medical Leave Paternity Leave Unpaid Leave 	<ul style="list-style-type: none"> Car Allowance Childbirth Gift Condolence Payment Dental & Optical Assistance Group Personal Accident Insurance Policy ("GPA") Health Card Lodging Expense Reimbursement Mileage Reimbursement Performance Bonus Service Awards 	<ul style="list-style-type: none"> Car Park Meeting Rooms Pantry Prayer Rooms Training Rooms

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

Labour Practices and Standards (Cont'd)



Annual Dinner 2024



National Day Celebration



Christmas Celebration

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

Labour Practices and Standards (Cont'd)

We place great value on actively listening to feedback from our employees, as it is vital for fostering a positive and collaborative work environment. During the year, we have conducted an employee engagement survey to assess their satisfaction levels and gather valuable insights into their experiences working with us. This survey not only helps us understand their needs and concerns but also enables us to identify areas for improvement, ensuring that we continuously enhance our workplace culture and strengthen employee engagement.

Below are some of the key questions included in our employee engagement survey. In addition to these questions, we encourage employees to share any additional feedback or suggestions on how Agricore CS Group can further improve and enhance their overall experience with the organisation. We believe that this open-ended approach not only allows us to gain valuable insights but also foster a culture of continuous dialogue, collaboration, and mutual growth with our workforce.

- I feel valued as an employee at Agricore CS Group
- The workplace promotes a culture of respect
- My job responsibilities are clearly defined
- I have opportunities to develop my skills and grow within the company
- My manager provides me with regular feedback on my performance
- Agricore CS Group supports a good work-life balance
- I feel comfortable discussing my concerns with my manager or HR Department

This year, our total employee turnover stood at 19, reflecting our ongoing efforts to maintain a stable and engaged workforce. To provide further insights, the breakdown of employee turnover by employee category is as follows:

	Unit	FYE 2024
Management	Number	0
Executive	Number	9
Non-Executive	Number	10

We place a strong emphasis on the training and development of our workforce, recognising that an empowered and skilled team is crucial to achieving organisational success. By investing in continuous learning opportunities, we ensure our employees are equipped with the knowledge and skills needed to thrive in their roles and contribute to our growth. Throughout the year, we provided a variety of training programs tailored to the diverse needs of our employees. The total hours of training by employee category are outlined below:

	Unit	FYE 2024
Management	Hour	281
Executive	Hour	561
Non-Executive	Hour	347
Total	Hour	1,189

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

Labour Practices and Standards (Cont'd)



Sustainability Reporting Training 2024

Community/Society

We recognise the vital importance of giving back to the communities where we operate. As part of our commitment to corporate social responsibility, we strive to contribute to the betterment of local communities by addressing their unique needs through targeted initiatives.

We actively collaborate with local organisations and stakeholders to enhance key areas which includes but not limited to education, social services and others.

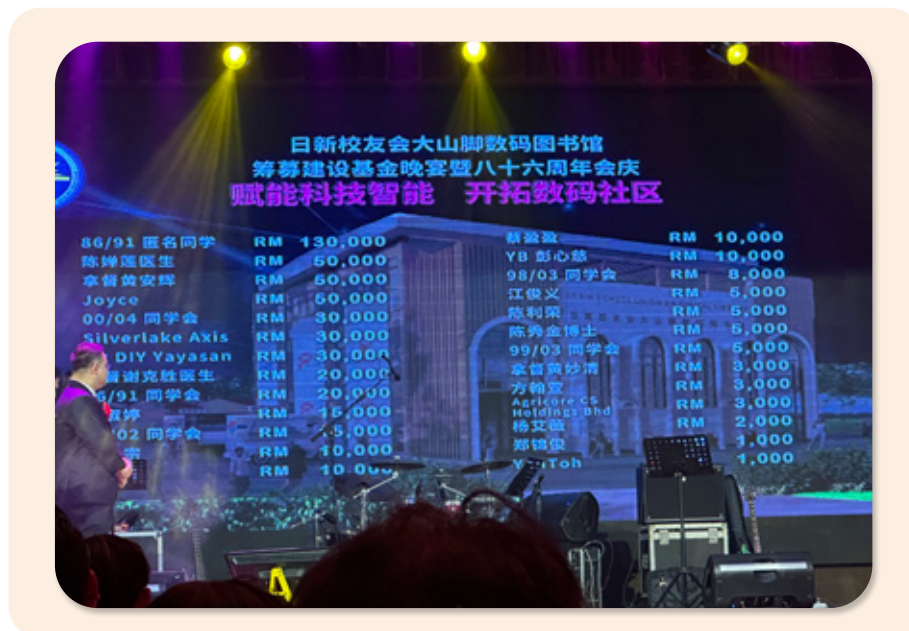
The total amount invested in community development, where the target beneficiaries are external parties, as well as the number of individuals who have benefited from these programs, are outlined in the table below:

	Unit	FYE 2024
Amount invested in CSR program	RM	3,280
Beneficiaries of the investment in CSR program	Number	501

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

Community / Society (Cont'd)



- On 23 November 2024, we contributed RM3,000 to Jit Sin School Union in Bukit Mertajam in support of their initiative to construct a publicly accessible Digital Library. This project aims to foster cultural enrichment and provide long term knowledge and resources for the benefits of the community.



- On 13 December 2024, we contributed food worth RM280 to the Festival Winter Solstice organised by University Utara Malaysia Alumni Junction. This event aims to promote Chinese culture and traditional customs, allowing students far from home able to experience the warmth of Winter Solstice.

SUSTAINABILITY STATEMENT (CONT'D)

GOVERNANCE

Corporate Governance and Ethics

Agricore CS Group is dedicated to conducting business ethically, upholding the highest standards of integrity, accountability, and transparency. The Group complies with all relevant laws and regulations, adopting the principles of the Malaysian Code on Corporate Governance ("MCCG"). We uphold a zero-tolerance policy towards bribery, strictly adhering to the Malaysian Anti-Corruption Commission Act 2009 including the corporate liability provision introduced through the 2018 amendment (Section 17A) ("MACC Act"). Our commitment to ethical practices includes providing anti-corruption training, supporting and protecting whistleblowers, and implementing a risk management framework, along with a Whistleblowing and Personal Data Protection Policy. Additionally, we are committed to integrating sustainability into every aspect of our organisation to foster an ethical corporate culture and sustainable governance practices.

Anti-Bribery and Corruption Policy

Agricore CS Group is fully committed to maintaining the highest standards of integrity and complying with all relevant anti-bribery and corruption ("ABC") laws and regulations. The Group adopts a zero-tolerance approach against all forms of bribery and corruption.

The Board has established an Anti-Bribery and Corruption Policy, which aimed at ensuring all employees and the associated persons are aware of their obligation to prevent, deal with and combat corruptions, bribes, conflicts of interest or similar unethical acts that they may have, and to comply with this Policy to follow highest standards of ethical conduct of business. The ABC Policy outlines the responsibilities, measures, and procedures for preventing, detecting, handling, and responding to bribery and corruption issues. The ABC Policy is aligned with the MACC Act, which holds commercial organisation legally accountable for instances of bribery and corruption committed by individuals associated with the organisation in order to gain a business advantage. In addition to this alignment, the ABC Policy outlines the adequate procedures guidelines issued by the Prime Minister's Department, pursuant to subsection (5) of Section 17A Under the MACC Act 2009. These guidelines are designed to help organisations establish robust anti-corruption measures and include the following key principles: Top Level Commitment, Risk Assessment, Undertake Control Measures, Systematic Review, Monitoring and Enforcement, Training and Communication ("TRUST") principles. This comprehensive framework ensures that we uphold the highest standards of integrity and compliance in our operations.

To ensure the effective implementation of the ABC Policy, training on this policy is provided to all new employees, with periodic awareness programs to reinforce the Group's zero-tolerance stance. Apart from providing training, the ABC Policy is also made available on our Company's website at <https://www.agricore.com.my/investor-relations/corporate-governance/>.

The percentage of employees who have received training on anti-corruption by employee category is summarised as follows:

	Unit	FYE 2024
Management	%	100
Executive	%	98
Non-Executive	%	98

The percentage of operations assessed for corruption-related risks is summarised as follows:

	Unit	FYE 2024
Operations assessed for corruption-related risks	%	100

Any suspicious bribery or corruption activity should be reported to Human Resource Manager, Senior Management, or the Managing Director of the Group. Additionally, report can be also made to the Chairperson of the Audit and Risk Management Committee ("ARMC") at whistleblower@agricore.com.my.

The confirmed incidents of corruption is summarised as follows:

	Unit	FYE 2024
Confirmed incidents of corruption	Number	0

SUSTAINABILITY STATEMENT (CONT'D)

GOVERNANCE (CONT'D)

Corporate Governance and Ethics (Cont'd)

Whistleblowing Policy

We are committed to upholding the highest standards of integrity, transparency, probity, and accountability in the conduct of our business and operations. To reinforce this commitment, the Board has established a comprehensive Whistleblowing Policy, providing a secure and transparent channel for employees, as well as the public, to report concerns related to unethical behaviour, malpractices, illegal activities, or regulatory non-compliance. This policy is designed to encourage individuals to raise serious concerns internally, ensuring that all reports are thoroughly investigated while offering reasonable protection to whistleblowers who act in good faith.

Reports can be submitted confidentially to the Chairperson of the ARMC via email at whistleblower@agricore.com.my or by mail to the Company's address.

Improper conduct includes but not limited to the following:

- Fraud
- Bribery
- Abuse of power
- Conflict of interest
- Theft or embezzlement
- Misuse of property of the Agricore CS Group
- Breach or non-compliance of policies or procedures of the Agricore CS Group
- Breach of discipline in the Agricore CS Group
- Any conduct that constitutes a breach of a legal obligation (including negligence, criminal activity, breach of contract, and breach of law), miscarriage of justice, danger to health and safety or to the environment
- Cover-up of any of these in the workplace

We are committed to safeguarding the safety and confidentiality of whistleblowers. All allegations will be handled with the utmost sensitivity and shared only on a need-to-know basis for the purpose of proper investigation, with legal advisors, or as required by law or regulatory authorities. Concerns raised will always be treated fairly, professionally, and confidentially. It is our policy that no person shall take detrimental action against a whistleblower or anyone associated with the whistleblower in retaliation for disclosing improper conduct. This ensures a supportive, safe, and transparent environment where integrity is paramount.

Code of Conduct and Ethics

Our Code of Conduct and Ethics is founded on the principles of transparency, integrity, accountability, corporate liability and sustainability. It reflects our commitment to achieving sustainable performance and delivering value to customers and shareholders while maintaining high ethical standards, accountability, and a trusted reputation. The Code sets clear expectations for directors and employees, promoting fair dealings, integrity, and ethical conduct. Its key objectives are to establish ethical standards based on core values, uphold accountability and transparency in compliance with laws and regulations, and support long-term sustainability through Environmental, Social, and Governance strategies.

Our Code outlines the standards for the following areas:

- Conflict of Interest
- Abuse of Power
- Confidentiality and Protecting Agricore CS Group's Assets and Intellectual Property
- Business Gift
- Insider Trading
- Money Laundering

Our policies and procedures namely Code of Conduct & Ethics, Anti-Bribery and Corruption Policy and Whistleblowing Policy are made available on our Company's website at <https://www.agricore.com.my/investor-relations/corporate-governance/>.

SUSTAINABILITY STATEMENT (CONT'D)

GOVERNANCE (CONT'D)

Data Privacy and Security

Agricore CS Group is committed to providing clear, transparent information on how data is collected, used, and shared, while adhering to data protection laws to safeguard personal information. To protect confidential data and maintain our reputation, we have implemented several policies, including the Acceptable Usage Policy, Bring Your Own Device ("BYOD") Policy, and Corporate Email Usage Policy, covering both software and hardware, as well as employees' "dos" and "don'ts". Employees are responsible for safeguarding the confidentiality of company information and assets. This policy applies to all individuals associated with the Group, including employees, contractors, and agents; covering all business-related information globally, as well as IT equipment used within the company. These guidelines ensure the security and proper use of IT resources throughout the organisation.

The IT Department has set up automated virus scanning and software updates across the Group. All PCs are equipped with antivirus software that automatically detects and removes any viruses. Additionally, all software on Group computers must be approved and installed by the IT department.

The total number of substantiated complaints concerning breaches of customer privacy and losses of customer data is as follows:

	Unit	FYE 2024
Substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (the “Board”) of Agricore CS Holdings Berhad (“Agricore” or the “Company”) is committed to implementing and maintaining high standards of corporate governance practices that are premised on the notions of transparency, accountability and integrity with a view to create long-term stakeholders’ value and enhance performance of the Company and its subsidiaries (collectively referred to as the “Group”). In the adoption of corporate governance best practices, the Board focuses on the substance of corporate governance principles and not merely the form.

The Board is pleased to present the Corporate Governance Overview Statement (“Statement”) to provide an overview of the corporate governance practices adopted by the Company, with reference to the three (3) key principles set out in Malaysian Code on Corporate Governance (“MCCG”), for the financial year ended 31 December 2024 (“FYE 2024”):

PRINCIPLE A	PRINCIPLE B	PRINCIPLE C
Board Leadership and Effectiveness	Effective Audit and Risk Management	Integrity in Corporate Reporting and Meaningful Relationship with stakeholders

This Statement is prepared pursuant to Paragraph 15.25(1), including Practice Note 9, of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), and has considered practices of the Corporate Governance Guide (4th Edition) of Bursa Securities.

This Statement is supplemented with the Corporate Governance Report for FYE 2024 (“CG Report”) which provides detailed articulation on the application of each corporate governance practice as prescribed in the MCCG. The CG Report is available on the Company’s website at <https://www.agricore.com.my/investor-relations/corporate-governance/> as well as via an announcement made on Bursa Securities’ website.

To achieve a granular understanding of the Group’s governance framework and practices, this Statement should also be read in conjunction with the other statements in the Annual Report, namely Statement on Risk Management and Internal Control, Audit and Risk Management Committee Report, Sustainability Statement and Management Discussion and Analysis as the depth or relevance of applying certain corporate governance promulgations may be better explained in the context of the respective statements.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Responsibilities

The Board is collectively responsible for the long-term success of the Group and the delivery of sustainable value to its stakeholders. In discharging its fiduciary duties and leadership functions, the Board governs and sets the strategic direction of the Group and exercising oversight on the management. The Board plays a critical role in setting the appropriate tone at the top, providing thought leadership and championing good governance and ethical practices throughout the Group.

The Board has full control of and is responsible to the Group’s strategic aims, ensure the necessary resources are in place for the Group to meet its objectives and review management performance. The Board has set the Group’s values and standards and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Governance Structure

The Board is guided by a Board Charter, which clearly defines the roles and responsibilities of the Board, Board Committees, individual Directors and Management as well as matters reserved for the Board.

To facilitate the discharging of its duties and responsibilities, the Board has established and delegated specific responsibilities to the following Board Committees with each committee having its own set of Terms of Reference (“TOR”):

- Audit and Risk Management Committee (“ARMC”);
- Nominating Committee (“NC”); and
- Remuneration Committee (“RC”).

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. Board Responsibilities (Cont'd)

Governance Structure (Cont'd)

The Board recognises the importance of clear separation of authority between the Board Chairman and Chief Executive Officer ("CEO") / Managing Director ("MD") to promote accountability and ensure a balanced division of responsibilities. Furthermore, the Board Chairman is not a member of the ARMC, NC and RC, ensuring the objectivity and independence of these Board Committees.

This separation helps prevent potential bias in decision-making and ensures that the Board can objectively review the Board Committees' recommendations. The Board Chairman's absence from these Board Committees prevents the concentration of power in a single individual, thereby promoting a robust system of checks and balances within the Board.

Currently, Mr. Fu Yew Sun serves as the Board Chairman, while Mr. Oon Boon Khong holds the position of Managing Director and CEO. The Board is further strengthened by a majority of Independent Non-Executive Directors ("INEDs"), ensuring greater objectivity in boardroom deliberations.

The Board Charter and TOR of respective Board Committees are available on the Company's website at <https://www.agricore.com.my/investor-relations/corporate-governance/>.

Board meetings and Company Secretaries

The Board and Board Committees meet regularly to carry out their responsibilities. Details of the meetings and Directors' attendances are summarised below:

Director	Board	ARMC	RC	NC
Mr. Fu Yew Sun <i>Independent Non-Executive Chairman</i>	4/4	-	-	-
Datuk Keh Chuan Seng <i>Non-Independent Non-Executive Deputy Chairman</i> (Resigned on 22 March 2025)	4/4	-	-	-
Mr. Oon Boon Khong <i>Managing Director and CEO</i>	4/4	-	-	-
Ms. Koay Hooi Lynn <i>Independent Non-Executive Director</i>	4/4	3/3	1/1	_*
Mr. Teh Boon Beng <i>Independent Non-Executive Director</i>	4/4	3/3	1/1	_*
Ms. Lee Seow Ling <i>Independent Non-Executive Director</i>	4/4	3/3	1/1	_*

 Chairman  Member

(*) The Company was listed on the ACE Market of Bursa Securities on 21 June 2024. As of 31 December 2024, the NC has yet to convene any meetings. The first NC meeting was held on 20 March 2025.

The minutes of the meetings accurately document key discussions, deliberations, and conclusions. The Company Secretaries are responsible for maintaining proper records of Board and Board Committees meetings, including documentation of key decisions. Following the conclusion of each meeting, draft minutes are promptly circulated to the Board and Board Committee members for review and feedback before finalisation.

The Board is supported and assisted by two (2) suitably qualified and competent Company Secretaries, who are qualified Secretaries as per Section 235(2) of the Companies Act 2016 registered with the Companies Commission of Malaysia ("CCM"). The Company Secretaries provide advice to the Board on corporate disclosures and compliance with company and securities law and regulations including Listing Requirements and to notify the Chairman of the Board and Board Committees of any possible violations pertaining to regulatory requirements. The Company Secretaries also monitor and update the Board on corporate governance developments and assist the Board in applying governance practices.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. Board Responsibilities (Cont'd)

Tone from the top

The Board has formalised a Code of Conduct and Ethics, which forms part of its responsibility to setting the tone and ethical standards that guide the behaviour of Directors, Management, and employees. It serves as a framework for acceptable practices, ensuring integrity, accountability, and professionalism across all levels of the organisation.

The Board has also established and implemented the Anti-Bribery and Corruption Policy, which provides clear guidelines and procedures for Directors and employees on identifying, preventing, and reporting bribery and corrupt practices. The Group takes a zero-tolerance approach against all forms of bribery and corruption, reinforcing its commitment to conducting business in a fair, honest, and transparent manner.

To further uphold these principles, the Board has formalised a Whistleblowing Policy to provide a confidential and secure mechanism for stakeholders and the general public to raise genuine concerns, lodge complaints or to disclose any wrongdoings and improper conduct that may adversely impact the Group.

Beyond these key policies, the Board also maintains a comprehensive set of policies that guide ethical conduct and ensures best practices are followed at all levels of the Group. These policies include:

- Board Charter
- Directors' Fit and Proper Policy
- Board and Senior Management Diversity Policy
- Policy on Independence of Directors
- Policy for the Assessment of the Suitability and Independence of External Auditors
- Directors' Remuneration Policy
- Senior Management Remuneration Policy
- Policy on Share Dealing and Insider Trading

The key corporate governance policies are available on the Company's website at <https://www.agricore.com.my/investor-relations/corporate-governance/>.

Sustainability

The Board holds the ultimate responsibility for the Group's sustainability management. With support from the Sustainability Executive Committee ("Sustainability EXCO"), it oversees the management of material sustainability matters, including but not limited to sustainability strategies, priorities, and targets. The Board also reviews and adopts the Group's strategic plans with a focus on long-term value creation, incorporating economic, environmental, and social considerations that underpin sustainability. Additionally, it sets the risk appetite within which Management operates, ensuring the implementation of an effective risk management framework to identify, analyse, evaluate, manage, and monitor significant financial and non-financial risks, including climate-related risks and opportunities relevant to the Group and its business.

To support this oversight function, the Board has delegated the administration of sustainability matters to the Sustainability EXCO, which comprises the CEO, Chief Operating Officer ("COO"), and Chief Financial Officer ("CFO"). The EXCO is responsible for reviewing and overseeing sustainability initiatives carried out by the Sustainability Working Group ("SWG"), which is chaired by the COO and supported by Management Representatives, Head of Departments and representatives from various departments.

The Board, via the NC, has integrated Environmental, Social and Governance ("ESG") considerations into its annual Board evaluation process through a structured questionnaire. This approach enables the Board to assess its understanding, oversight, and decision-making capabilities on sustainability matters, including material sustainability risks and opportunities.

The details pertaining to the sustainability strategies, priorities, stakeholder groups, engagement methods and performance are communicated to both internal and external stakeholders through the Sustainability Statement within this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. Board Composition

The Board and NC remain mindful of ensuring that the Board comprises individuals with the right mix of skills, knowledge, experience and independence in order to achieve the Group's strategic goals. Recognising the value of diversity and inclusivity, the Board believes that integrating varied perspectives into boardroom discussions enhances strategy formulation and risk management.

However, Director appointments are based solely on merit, considering factors such as skills and experience, without discrimination based on gender, age, cultural or educational background, ethnicity, or physical ability.

The NC, comprising solely of INEDS, is responsible for identifying, evaluating, and recommending suitable candidates for appointment as Directors of the Company. The selection criteria and appointment procedures are outlined in the TOR of the NC. To identify the most suitable candidates, the NC is empowered to utilise various sourcing methods, including Directors' registries, independent search firms, as well as recommendations from Directors, Senior Management, or shareholders.

In addition, the Board has established a Directors' Fit and Proper Policy, which serves as a guiding framework for the NC and the Board in objectively assessing the suitability of new candidates as well as Directors seeking re-election. This policy provides clear and structured parameters for the selection process of Directors and Senior Management, reinforcing Board independence, quality, and diversity.

The Directors' Fit and Proper Policy is available on the Company's website at <https://www.agricore.com.my/investor-relations/corporate-governance/>.

Currently, the Board comprises of five (5) Directors, of whom:

- Four (4) are INEDs, representing 80% of the Board.
- Two (2) are female Directors, achieving a 40% female representation, which exceeds the prevailing requirement of at least 30% women Directors.

This composition reflects the Group's strong commitment to Board diversity.

As described in the Board Charter, the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years and shall not be further extended. As it is not contemplated that any Independent Director will continue to serve on the Board as a Non-Independent Director, the Board, through the NC, shall commence a search for replacement of an outgoing Independent Director prior to the end of the anticipated nine (9)-year term.

On 20 March 2025, the Board, via the NC, conducted an internal assessment of the Board and Board Committees. The evaluation process was facilitated by the Company Secretary using structured questionnaires with quantitative assessments covering the following key areas:

- Board mix and composition;
- Quality of information and decision making;
- Boardroom dynamics and effectiveness;
- Board's relationship with the Management; and
- ESG and sustainability considerations.

The NC is satisfied with the composition and performance of the current Board and Board Committees and each individual Director. The expertise, diligence, commitment and diverse skills of the Board members enable the Board to effectively discharge its duties and responsibilities in the best interest of the Company. The outcome of the assessment was subsequently presented to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. Board Composition (Cont'd)

During the financial year under review, the current Board members participated in various professional development programmes to enhance their competencies. The details of these programmes are as follows:

Directors	Training Programme/ Topics
Mr. Fu Yew Sun	• Bursa Malaysia Mandatory Accreditation Programme Part I
Mr. Oon Boon Khong	• Bursa Malaysia Mandatory Accreditation Programme Part I • Sustainability Reporting
Ms. Koay Hooi Lynn	• Bursa Malaysia Mandatory Accreditation Programme Part II • Conflict of Interest ("COI") and Governance of COI
Mr. Teh Boon Beng	• Being Sued as An INED – A Personal Journey • Anti-Bribery & Corruption • ICDM Powertalk: How Can Boards Make the Most Blockchain & Digital Assets • Aspiring Directors Immersion Program • Roles & Responsibilities of Directors in Relation to Financial Statements • Board Briefing in ESG Insights: Trends, Compliance Issues and Strategic Adoption • Strategic Data & Framework in Board Governance
Ms. Lee Seow Ling	• Bursa Malaysia Mandatory Accreditation Programme Part I • MIA Professional Practices & Technical updates • BDO Tax Seminar on Budget 2025

3. Remuneration

The Board, via the RC, has established and adopted the Directors' Remuneration Policy and Senior Management Remuneration Policy to facilitate a fair and transparent remuneration framework for the Directors and Key Senior Management. These policies are designed with due consideration of the demands, complexities and performance of the Company as well as skills and experience required of Directors and Key Senior Management.

- For Executive Directors and Key Senior Management, the remuneration packages comprise both fixed and variable components, structured to align rewards with individual and Group performance.
- For Non-Executive Directors, the remuneration packages are designed to preserve their independence and objectivity. Their remuneration is determined based on experience, level of responsibilities assumed in the Board Committees, their attendance, performance and expertise they bring to the Board.

The Directors' Remuneration Policy and Senior Management Remuneration Policy are periodically reviewed and available on the Company's website at <https://www.agricore.com.my/investor-relations/corporate-governance/>.

Details of the remuneration of Directors comprising remuneration received/receivable from the Company and the Group for the financial year ended 31 December 2024 are as follows:

	Company (RM '000)							Group (RM '000)						
	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments*	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments*	Total
Executive Director														
Oon Boon Khong	-	-	-	-	-	-	-	-	3.0	442.9	59.1	-	63.6	568.6
Non-Executive Directors														
Fu Yew Sun	42.5	8.3	-	-	-	-	50.8	42.5	8.3	-	-	-	-	50.8
Datuk Keh Chuan Seng (Resigned on 22 March 2025)	-	2.0	-	-	-	-	2.0	180.2	2.0	-	-	-	-	182.2
Koay Hooi Lynn	42.5	0.8	-	-	-	-	43.3	42.5	0.8	-	-	-	-	43.3
Teh Boon Beng	30.0	0.8	-	-	-	-	30.8	30.0	0.8	-	-	-	-	30.8
Lee Seow Ling	40.0	0.8	-	-	-	-	40.8	40.0	0.8	-	-	-	-	40.8
Chan Kay Ding (Resigned on 24 January 2024)	12.5	-	-	-	-	-	12.5	12.5	-	-	-	-	-	12.5

* Other emoluments include defined contribution plan.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

3. Remuneration (Cont'd)

For the top four (4) senior management as disclosed in the Prospectus dated 30 May 2024, the total remuneration in bands of RM50,000 is disclosed on group basis as shown below:

Total Remuneration Per Annum	No. of Senior Management
RM100,001 – RM150,000	1
RM150,001 – RM200,000	0
RM200,001 – RM250,000	1
RM250,001 – RM300,000	1
RM300,001 – RM350,000	0
RM350,001 – RM400,000	1

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit and Risk Management Committee

The ARMC comprises entirely of INEDs, with none of its members having previously served as an audit partner of the Company.

Two (2) out of the three (3) members of the ARMC, namely Ms. Koay Hooi Lynn and Ms. Lee Seow Ling are Chartered Accountants by profession, while Mr. Teh Boon Beng possesses extensive experience in the banking industry. All members of the ARMC are financially literate, competent and well-equipped to oversee matters under the purview of the ARMC, including the financial reporting process. They are able to review the Company's financial reporting process and information to ascertain whether the financial reporting reflects the Company's actual performance.

The ARMC is chaired by Ms. Koay Hooi Lynn who is not the Chairman of the Board. This deliberate arrangement ensures that the Board can objectively review the ARMC's findings and recommendations. Additionally, this separation allows the Board to maintain a comprehensive and impartial evaluation of the ARMC's work, thereby enhancing effective oversight and governance of the Company's audit and risk management functions

The Board, via the ARMC, has established policy and procedures to assess and determine the suitability, objectivity and independence of external auditor. The "Policy for the Assessment of the Suitability and Independence of External Auditors" is made available on the Company's website at <https://www.agricore.com.my/investor-relations/corporate-governance/>.

During the financial year under review, the ARMC assessed the performance and independence of the external auditors, namely Messrs. Crowe Malaysia PLT, and satisfied itself that the external auditors have been independent throughout the conduct of their audit engagement. The evaluation criteria include, amongst others, the quality of service, communication, adequacy of resources as well as the exercise of independence and objectivity.

The ARMC has also received confirmation from the external auditors that they were independent in accordance with Crowe's requirements and the independence criteria promulgated by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) and the By-Laws (on Professional Ethics, Conduct and Practice) of Malaysian Institute of Accountants throughout their audit engagement.

In addition, the ARMC is regularly updated by the Management, Company Secretaries, External and Internal Auditors on changes to accounting and auditing standards, practices and rules.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

2. Risk Management and Internal Control Framework

The Board recognises the importance of maintaining a sound risk management and internal control system to safeguard shareholders' investments and the Group's assets. In discharging its stewardship responsibilities, the Board is fully committed to maintaining an appropriate risk management and internal control system, as well as reviewing its adequacy and effectiveness to provide assurance on the achievement of the Group's objectives.

The Board has delegated the oversight of the risk management and the internal control functions to the ARMC, which comprises entirely of INEDs, in line with the recommendation of Step Up Practice 10.3 of the MCCG.

The ARMC is tasked with ensuring that a robust process is in place for identifying, managing and monitoring critical risks, overseeing the execution of that process, and ensuring continuous improvement as the business environment evolves.

On a periodic basis, the Board, via the ARMC, evaluates the adequacy and operating effectiveness of the risk management and internal control system and, where appropriate, requires the Management to implement pertinent controls to address emerging issues or areas of control deficiencies.

The Group has outsourced its internal audit function to an independent professional firm, namely Messrs. Tan Yen Yeow & Company ("TYY"), to assist the ARMC and the Board in discharging its responsibilities. The outsourced internal auditor reports directly to the ARMC and provides the Board with independent, objective and reasonable assurance on the effectiveness of the Group's internal control system. All the personnel deployed by TYY do not have any family relationship or conflicts of interest with the Group that could impair their objectivity and independence during the course of their work.

Detailed disclosure on the Group's risk management and internal control framework, including a summary of internal audit function's work, is narrated in the Statement on Risk Management and Internal Control within this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1. Engagement with Stakeholders

The Board recognises that effective, transparent and continuous communication with its stakeholders is essential in managing expectations and driving long-term value creation.

To foster stronger engagement with its stakeholders, the Group maintains an updated website (www.agricore.com.my) featuring latest developments related to the Group. This includes financial performance, business strategies and objectives, investor relation activities, corporate governance policies and procedures and press releases. The website also serves as a repository for key reports, such as the Company's annual and quarterly reports and corporate governance report.

Additionally, the Company's website also provides an investor relations contact email (corporate@agricore.com.my) to facilitate dialogue and address queries from shareholders, stakeholders, investors and the general public.

The Board reviews the Group's overall engagement with stakeholders on an annual basis. A summary of the Group's engagement with stakeholders during the financial year under review is discussed in the Company's Sustainability Statement, which is available in this Annual Report.

2. Conduct of General Meetings

The Company was newly listed on 21 June 2024 and is scheduled to convene its first post-listing Annual General Meeting ("AGM") on 22 May 2025. The notice of the AGM was given to shareholders on 23 April 2025 in compliance with regulatory requirements, and in line with the recommendation of Practice 13.1 of the MCCG.

The Board recognises the importance of providing shareholders with adequate time to review and consider the resolutions to be discussed and decided at the AGM. Additionally, the Board acknowledges that providing sufficient notice enables shareholders who are unable to attend the AGM to appoint a proxy to vote on their behalf. The appointed proxy is eligible to participate, vote, and speak during the meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

2. Conduct of General Meetings (Cont'd)

The AGM and other general meetings serve as valuable platforms for the Board to engage directly with shareholders and shareholders are encouraged to actively participate in these meetings. The Board Chairman will allocate ample time and encourage shareholders to pose questions, share their views and provide suggestions throughout the meeting.

All Directors, including Chairman of respective Board Committees, will attend the AGM to provide meaningful responses to questions addressed to them. They are fully aware of their respective scope of responsibilities and will come well-prepared to address any issues raised.

To ensure accuracy and transparency, the Company will adopt electronic voting, with all resolutions voted by poll. An independent scrutineer will be appointed to validate the votes cast, and the results of each resolution will be announced during the meeting. Additionally, a detailed announcement, including the total number of votes cast for and against each resolution along with their respective percentages, will be announced via Bursa Securities' website after conclusion of the AGM.

The Board is committed to ensuring the timely circulation of complete and accurate AGM minutes. As these minutes capture the mutual understanding and resolutions reached between shareholders and Directors, they serve as valuable resource for shareholders, particularly those who were unable to attend the AGM. The minutes will be made available on the Company's website within 30 business days after the AGM.

The Board will continually review the Group's governance practices to ensure our Group meets the expectations of regulators and stakeholders.

This Statement is made in accordance with a Board resolution dated 27 March 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

The Board of Directors (the “Board”) of Agricore CS Holdings Berhad (“Agricore” or the “Company”) acknowledges the importance of maintaining a robust risk management and internal control system within the Company and its subsidiaries (collectively referred to as the “Group”). The Board is pleased to present the following Statement on Risk Management and Internal Control (the “Statement”), which outlines the nature and scope of risk management and internal controls implemented by the Group during the financial year ended 31 December 2024.

This Statement has been prepared pursuant to Paragraph 15.26(b) of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and Practice 10.2 of the Malaysian Code on Corporate Governance 2021 (“MCCG”), with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

Board’s Responsibility

The Board recognises the importance of maintaining a sound risk management and internal control system to safeguard shareholders’ investments and the Group’s assets. In discharging its stewardship responsibilities, the Board is fully committed to maintaining an appropriate risk management and internal control system, as well as reviewing its adequacy and effectiveness to provide assurance on the achievement of the Group’s objectives.

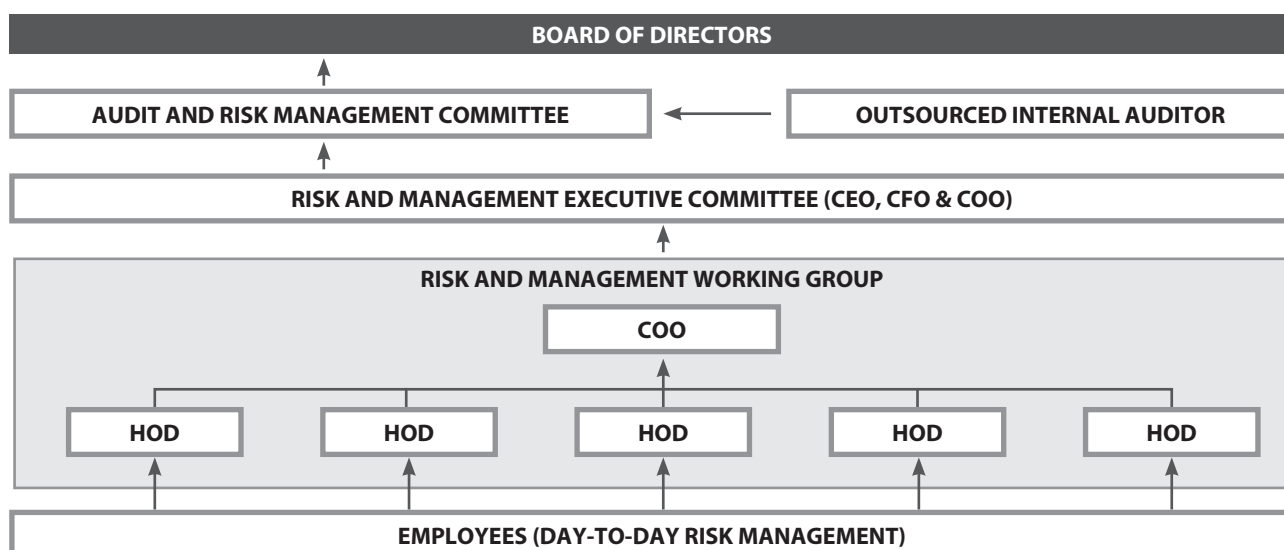
Given the inherent limitations in any risk management and internal control system, the system in place is designed to manage risks within tolerable, acceptable and knowledgeable limits in an efficient manner, rather than completely eliminate risks that could prevent the Group from realising its business objectives. Therefore, the system only provides reasonable, but not absolute, assurance against material misstatement, losses or fraudulent activities.

The Board has delegated the oversight of the risk management and the internal control functions to the Audit and Risk Management Committee (“ARMC”), which is comprised solely of Independent Non-Executive Directors. The ARMC is tasked with ensuring that a robust process is in place for identifying, managing and monitoring critical risks, overseeing the execution of that process, and ensuring continuous improvement as the business environment evolves.

On a periodic basis, the Board, via the ARMC, evaluates the adequacy and operating effectiveness of the risk management and internal control system and, where appropriate, requires the Management to implement pertinent controls to address emerging issues or areas of control deficiencies. This process has been in place throughout the financial year under review and up to the date of approval of this Statement for inclusion in this Annual Report.

Risk Management Framework

The Group has established and adopted a Risk Management Framework to ensure a structured, consistent, and effective approach for identification, reporting and management of principal business risks as well as in ensuring the implementation, tracking and review of the effectiveness of mitigation actions for the risks identified. It sets out the risk management governance, guidelines, processes and control responsibilities in association with the Group’s business and operational requirements in order to maintain a sound control environment. The risk reporting structure is outlined as below:



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

Risk Management Framework (Cont'd)

Summary of risk management activities during the financial year under review:

- Risk review meetings by the Risk Management Working Group to identify, assess and develop risk profile for the Group's key business risks across four key areas: strategic risks, operational risks, financial and reporting risks, and regulatory compliance risks. The risk assessment process considers the potential impact and likelihood of risk occurrence, the effectiveness of existing controls and the action plans implemented to manage risks at the desired level.
- Risk review meetings by the Risk Management Executive Committee to review the risk profiles developed by the Risk Management Working Group, deliberate on the action plans and formulate mitigation strategies.
- Annual Strategic Planning Exercise conducted with the participation of the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), Chief Operating Officer ("COO"), and all Head of Departments to establish the Group's strategic direction and goals. This strategy planning process includes brainstorming session, KPI setting, SWOT analysis and the development of mitigation strategies for key strategic and operational risks.
- Quarterly management meetings held to review the progress of strategic plans, assess business performance and provide updates on key risk issues.
- Assessment on financial and regulatory risk conducted by the CFO and COO to evaluate risks related to financial reporting, misappropriation of assets, credit risks, foreign currency risks and corruption risks.
- The risk profiles developed by Risk Management Working Group had been reported to the ARMC and Board for approval.
- The financial and regulatory risk assessment conducted by the CFO and COO had been presented to the Board together with the Strategic Plan 2025 for approval.

Internal Control Framework

The salient elements of the Group's internal control framework are described below:

a. Organisation Structure and Limit of Authority

The Group has a well-defined organisational structure that outlines lines of responsibility, delegation of authority, segregation of duties and the flow of information. This structure aligns with the operational requirements of the business and establishes clear levels of accountability and responsibility for management functions.

The Group has also implemented authorisation limits and approval levels, including those requiring Board approval, ensuring that no single individual is granted unfettered authority.

b. Policies and Procedures

The Group has formalised and documented internal policies, standards and procedures to ensure compliance with internal controls, as well as relevant laws and regulations. These policies and procedures are periodically reviewed and enhanced to ensure their relevance and effectiveness.

c. Strategic Business Planning Process

The Group establishes business plans that articulate its objectives, strategies and targets. Business planning and budgeting are conducted annually to establish plans and targets against which performance is monitored on an ongoing basis.

d. Financial Performance Review

The preparation of periodic and annual financial results is monitored and reviewed by the ARMC, before being tabled for approval by the Board prior to being released to regulators and stakeholders whilst the full-year financial statements are audited by the external auditors and approved by the Board before their issuance to regulators and stakeholders.

e. Integrity and Ethical Value

The Board acknowledges that "tone from the top" is a key driver for healthy corporate culture and serves to form the bedrock of value creation. In respect to this, the Board adopts the Anti-Bribery and Corruption Policy and Code of Conduct and Ethics. The Whistle Blowing Policy is also established to provide avenue for the stakeholders to raise genuine concerns about possible improprieties in matters of financial reporting, compliance, malpractices and unethical business conduct such as bribery and corruption within the Group at the earliest opportunity and in an appropriate way.

f. Approval of The Annual Internal Audit Plan

Internal audit will be carried out based on the annual internal audit plan approved by the ARMC and takes into consideration feedback from the Management. During the financial year under review, the risk based internal audit plan covering identified areas was reviewed and approved by the ARMC.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

Internal Audit Function

The Group has outsourced its internal audit function to an independent professional firm, namely Messrs. Tan Yen Yeow & Company ("TYY"), to independently assess the adequacy, effectiveness and integrity of the Group's risk management and internal control system. The internal audit function reports directly and provides assurance to the ARMC through the execution of internal audit work based on a risk-based internal audit plan approved by the ARMC before the commencement of work. In fulfilling their duty, the internal audit function adopts a risk-based approach and adheres to a methodology that is closely aligned to the International Professional Practices Framework ("IPPF") of The Institute of Internal Auditors. In carrying out its activities, the internal audit function has unrestricted access to the relevant records, personnel and physical properties of the Group.

The internal audit engagement by TYY is led by the director, Mr. Tan Yen Yeow, who is an approved company auditor and a Certified Internal Auditor ("CIA"). He provides overall direction for the internal audit engagement and is responsible for all stages of the internal audit work. He also maintains contact with the Management to ensure open communication is practised and all internal audit works are carried out effectively and in a timely manner. All the personnel deployed by TYY do not have any family relationship or conflicts of interest with the Group that could impair their objectivity and independence during the course of their work.

For the financial year ended 31 December 2024, the outsourced internal auditors conducted an internal audit focusing on revenue and sustainability reporting review (common sustainability indicators). The observations noted during the internal audit, together with the recommendations, were reported to Management and subsequently presented to the ARMC. The total cost incurred for the internal audit function during the financial year under review was approximately RM15,000.

Review by External Auditors

The external auditors, Messrs. Crowe Malaysia PLT, have reviewed this Statement pursuant to Paragraph 15.23 of the AMLR of Bursa Securities, for inclusion in this Annual Report for the financial year ended 31 December 2024.

The review of this Statement by the external auditors was performed in accordance with the scope set out in the Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants ("MIA").

The external auditors have reported to the Board that nothing has come to their attention that caused them to believe that this Statement is not prepared, in all material aspects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement factually inaccurate.

AAPG 3 does not require the external auditors to consider whether this Statement covers all risk and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk and control procedures.

Conclusion

For the financial year under review and up to the date of this Statement, the Board is of the view that the Group's overall risk management and internal control system is adequate and effective, proving reasonable assurance to safeguard the interests of stakeholders and assets of the Group. There were no material weaknesses or deficiencies in the system of risk management and internal control that have directly resulted in any material loss to the Group.

The CEO and CFO have, to the best of their knowledge and based on a review undertaken on the state of risk management and internal control, provided written assurance to the Board that the Group's risk management and internal control system, in all material aspects, is operating adequately and effectively based on the framework adopted by the Group.

This Statement is made in accordance with the resolution of the Board dated 27 March 2025.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors (the “Board”) of Agricore CS Holdings Berhad (“Agricore” or the “Company”) is pleased to present the Audit and Risk Management Committee (“ARMC”) Report for the financial year ended 31 December 2024 (“FYE 2024”) in compliance with Paragraph 15.15 of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

Composition

The current ARMC comprises the following three (3) members, all of whom are Independent Non-Executive Directors: -

Name	Designation	Directorate
Koay Hooi Lynn	Chairperson	Independent Non-Executive Director
Teh Boon Beng	Member	Independent Non-Executive Director
Lee Seow Ling	Member	Independent Non-Executive Director

The current composition of ARMC aligns with Step Up Practice 9.4 of the Malaysian Code on Corporate Governance (“MCCG”), which emphasises that the Audit Committee should comprise solely of Independent Directors. Furthermore, the current composition of ARMC also adheres to Practice 1.4 of the MCCG, which stipulates that the Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.

The ARMC is chaired by Ms. Koay Hooi Lynn, who is distinct from the Chairman of the Board, effectively aligns with the provisions outlined in Practice 9.1 of the MCCG. In addition, Ms. Koay Hooi Lynn’s membership in the Malaysian Institute of Accountants (“MIA”) ensures compliance with the requirements of Paragraph 15.09(1)(c)(i) of the AMLR, which mandates that at least one member of the ARMC must be a MIA member.

All members of the ARMC possess financial literacy and competence, enabling them to understand matters falling within the purview of the ARMC, including the financial reporting process. They have the necessary expertise to review the Group’s financial reporting process and information, ensuring that the financial reports accurately reflect the Group’s actual performance.

By adhering to these guidelines and assembling a qualified and independent ARMC, the Group reinforces its commitment to good corporate governance and robust oversight of the financial reporting process.

Meetings and Attendance

The ARMC held three (3) meeting during the FYE 2024. The attendance of the ARMC members is as follow:

Name	Attendance
Koay Hooi Lynn	3/3
Teh Boon Beng	3/3
Lee Seow Ling	3/3

Chief Financial Officer (“CFO”) and other pertinent key personnel are invited to participate the meetings, fostering direct communication channels that facilitate the clarification on audit issues, financial reports and operational matters of the Group. Representatives of the Internal Auditors and External Auditors are also invited to attend these meetings to present their respective reports.

The Company Secretary acts as secretary to the ARMC and attends all the ARMC meetings. Notice of meetings and supporting documents were circulated to the ARMC members at least seven (7) days prior to the meeting, providing the ARMC with relevant and timely information for effective discussions during the meeting. The minutes of each ARMC meeting are accurately recorded reflecting the deliberations and decisions of the ARMC and are tabled for confirmation at the next ARMC meeting and subsequently presented to the Board for notation.

Through an annual evaluation, the Nominating Committee is satisfied that the ARMC and its members had discharged their functions, duties and responsibilities in accordance with its Terms of Reference during the financial year.

Terms of Reference

The Terms of Reference of the ARMC are published on the Company’s website at www.agricore.com.my/investor-relations/corporate-governance/.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

Authority

The ARMC in the performance of its duties, is authorised by the Board, in accordance with a procedure determined by the Board and at the expense of the Company:

- a) have authority to investigate any matter within its terms of reference;
- b) have the resources which are required to perform its duties;
- c) have full and unrestricted access to any information pertaining to our Company;
- d) have direct communication channels with the External Auditors and person(s) carrying out the internal audit function or activity (if any);
- e) be able to obtain independent professional or other advice; and
- f) be able to convene meetings with the External Auditors, the Internal Auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

Summary of Activities and Work of Audit and Risk Management Committee

1. Financial Reporting

- Reviewed the Group's quarterly financial reports including the announcements in relation thereof, prior to recommending to the Board for its approval and release of the Group's financial results to Bursa Securities.

The review is to ensure that the Group's quarterly financial reporting and disclosures present a true and fair view of the Group's financial position and performance and in compliance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards as well as applicable disclosure enumerations of the AMLR and any other legal and regulatory requirements;

- Reviewed the audited financial statements of the Group prior to recommending the said statements for consideration and approval by the Board, to ensure that they presented a true and fair view of the Group's financial position and performance for the year and complied with regulatory requirements; and
- Discussed and reviewed the integrity of information, regulatory and accounting standards compliance in the audited financial statements and quarterly financial reports, considered and focused particularly on the following areas:
 - i) Changes in or implementation of major accounting policy or accounting standards;
 - ii) Significant matters or unusual events or transactions highlighted by the Management or the External Auditors including financial reporting issues and how these matters were addressed; and
 - iii) Management judgements and estimations made on the recognition, measurement and presentation of the financial statements.

2. External Audit

- Discussed and reviewed with the External Auditors, Messrs. Crowe Malaysia PLT ("Crowe"), the Audit Plan which covered the followings:-
 - a. Audit responsibilities of Directors and Auditors;
 - b. Audit approach;
 - c. Areas of Audit Emphasis;
 - d. Accounting Standards Update;
 - e. Communication with Management;
 - f. Engagement Team;
 - g. Reporting and Deliverables.
- Discussed and reviewed the External Auditors' audit report, key audit matters and the significant audit findings underlying their report. Noted that Crowe has determined that there are no key audit matters to communicate in their report to the members of Agricore;
- Noted that the External Auditors did not report any actual, suspected or alleged fraud or fraud or illegal act affecting the Group and there were no instances of non-compliance with laws and regulations;
- Held private discussion with the External Auditors without the presence of the Management to provide the External Auditors and the ARMC members an opportunity to discuss area of concern or additional matters;

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

Summary of Activities and Work of Audit and Risk Management Committee (Cont'd)

2. External Audit (Cont'd)

- Reviewed and assessed the performance, suitability and independence of the External Auditors in carrying out statutory audit for the Group. The evaluation criteria include, amongst others, the quality of service, communication, adequacy of resources as well as the exercise of independence and objectivity;
- Received confirmation from the External Auditors that they were independent in accordance with Crowe's requirements and the independence criteria promulgated by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) and the By-Laws (on Professional Ethics, Conduct and Practice) of Malaysian Institute of Accountants throughout their audit engagement;
- Reviewed and approved the provision of non-audit services rendered by the External Auditors and their affiliates to ensure it was permissible for them to accept in line with the Group's policy on non-audit services and did not compromise the objectivity and independence of the External Auditors.
- Undertaken an assessment of the suitability and independence of the External Auditors. It was concluded that based on the assessment, amongst others as set out below, the performance of Crowe for the FYE 2024 was found satisfactory.

However, as part of the Group's commitment to continuous improvement and good corporate governance, the ARMC considered the benefits of engaging a new audit firm to bring fresh perspectives, enhance audit quality, and optimize cost efficiency.

After taking into consideration the following factors, the ARMC recommended the appointment of Messrs. TGS TW PLT as the External Auditors of the Group for the ensuing year ending 31 December 2025 in place of the retiring Auditors of the Group:-

- Messrs. TGS TW PLT has a distinguished reputation in the industry, supported by the robust qualifications and expertise of its professionals. Their team's extensive resources, depth of knowledge, and experience are well-suited to meet the Group's needs;
- Independence of the firm;
- ARMC anticipates that the engagement of Messrs. TGS TW PLT will bring valuable new perspectives and insights. It is believed that their fresh approach and exposure will enhance the Group's our audit processes. By integrating new methodologies and practices, Messrs. TGS TW PLT is expected to improve the overall audit flow and contribute to more effective and efficient operations within the Group; and
- Messrs. TGS TW PLT's competitive fee structure offers a balance between high-quality audit services and financial prudence, ensuring value for the Group without compromising on audit integrity and thoroughness.

3. Risk Management and Internal Audit

- Reviewed and adopted a Risk Management Framework;
- Reviewed and approved the risk profiles developed by the Risk Management Working Group;
- Reviewed and approved the annual Internal Audit Plan as proposed by the Internal Auditors to ensure a reasonable scope of auditable areas was covered over the Group's activities and ensured that controls over key risk areas were audited;
- Reviewed the internal audit reports presented by the Internal Auditors which encompass the results of the internal audit assessments, recommendations and proposed enhancements suggested by the Internal Auditors, the respective Management personnel's responses and corrective actions taken by Management in addressing and resolving issues and ensuring that all issues were adequately addressed in a timely manner;
- Reviewed the implementation status of recommendations for outstanding audit findings to ensure all key risks and controls issues were addressed;
- Reviewed the adequacy, function, competency and performance of the Internal Auditors and ensured that they had the necessary authority to perform their work;

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

Summary of Activities and Work of Audit and Risk Management Committee (Cont'd)

3. Risk Management and Internal Audit (Cont'd)

- Reviewed adequacy and effectiveness of the Group's internal controls system and provide reasonable assurance on the Group's system of internal control with the objective to minimise potential occurrence of fraud and material misstatement or error;
- Reviewed whistleblowing cases, if any, and Management's responses and resolutions thereon. During the FYE 2024, there were no unethical or corrupt practices reported to the designated officers via the reporting channel for whistleblowing established by the Company;
- Reviewed and approved the appointment and the fees of the outsourced Internal Auditors.

4. Recurrent Related Party Transactions

- The ARMC took note that there is no recurrent related party transactions ("RRPT") of a revenue or trading nature entered into by the Group in FYE 2024;

5. Conflict of Interest

- Reviewed conflict of interest ("COI") situations that arose or persist (in addition to those that may arise) and the measures taken to resolve, eliminate, or mitigate the COI.
- The ARMC is pleased to report that, following a diligent review, no significant conflicts of interest were identified that could compromise the integrity of our decision-making processes or impact the Group's financial well-being during FYE 2024.

6. Other Activities

- Reviewed the ARMC Report and Statement on Risk Management and Internal Control, and recommended the same for Board's approval prior to inclusion in the Annual Report.

Summary of Work of Internal Auditors

The ARMC obtains reasonable assurance on the effectiveness of the Group's system of internal controls via the internal audit function which is responsible for the regular review and appraisal of the effectiveness of the risk management, system of internal controls and governance processes of the Group.

The Group's internal audit function has been outsourced to a reputable professional service provider firm which assists the ARMC and the Board in evaluating the Group's risk management and internal control system so as to provide independent assurance on the adequacy and effectiveness of risk management, internal controls and governance processes of the Group.

The Internal Auditors performed its audit assignments based on the annual internal audit plan approved by the ARMC. The internal audit reports presented by the Internal Auditors for the FYE 2024 covered the scope of revenue and sustainability reporting review (common sustainability indicators).

The total fee paid for the outsourcing of the internal audit function for the FYE 2024 was approximately RM15,000.

Further details on the internal audit function are reported in the Statement on Risk Management and Internal Control of this Annual Report.

This Statement is made in accordance with a Board resolution dated 27 March 2025.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Chapter 15 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors ("Board") wishes to issue a statement explaining the Board's responsibility for preparing the annual audited financial statements.

Directors are required by the Companies Act 2016 ("the Act") and the relevant regulations to prepare the financial statements for each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Act.

In preparing the financial statements, the Board has :

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- prepared the financial statements on a going concern basis; and
- ensure compliance with all applicable accounting standards in Malaysia.

It is the responsibility of the Board to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

The Board is responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy to ensure that the financial statements comply with the Act.

The Board is also responsible for taking such steps to safeguard the assets of the Group and of the Company and to detect and prevent fraud and other irregularities.

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of Proceeds from Initial Public Offering ("IPO")

The Company was listed on the ACE Market of Bursa Malaysia Securities Berhad on 21 June 2024 ("Listing"). In conjunction with the Listing, the Company undertook a public issue of 51,714,000 new ordinary shares at an issue price of RM0.50 per share, raising total gross proceeds of approximately RM25.86 million ("IPO Proceeds").

As at 31 December 2024, the utilisation of the IPO proceeds is as follows:

<i>Details of utilisation of proceeds</i>	<i>Proposed utilisation</i>	<i>Percentage of utilisation</i>	<i>Actual utilisation</i>	<i>Balance to be utilised</i>	<i>Estimated timeframe for utilisation from the date of listing ⁽¹⁾</i>
	<i>RM'000</i>	<i>%</i>	<i>RM'000</i>	<i>RM'000</i>	
<i>Setup of a regional storage facility</i>	2,650	10.3	1,682	968	<i>Within 12 months</i>
<i>Purchase of inventories</i>	18,929	73.2	18,476	453	<i>Within 12 months</i>
<i>Recruitment of staff</i>	578	2.2	199	379	<i>Within 12 months</i>
<i>Estimated listing expenses</i>	3,700	14.3	3,700	-	<i>Within 1 month</i>
	25,857	100.0	24,057	1,800	

(1) The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 30 May 2024.

2. Audit and Non-audit Fees

The amount of audit and non-audit fees paid or payable to the External Auditors and its affiliated firms for the services rendered by them to the Company and Group respectively for the financial year ended 31 December 2024, were as follows:

Type of fees	Group (RM'000)	Company (RM'000)
Audit fees – statutory audit	83	20
Non-audit fees – reporting accountants pursuant to listing exercise	380	380
	463	400

3. Material Contracts

There was no material contracts entered into by the Company and its subsidiaries involving the interest of the directors, chief executive who is not a director or major shareholders, either still subsisting at the end of the financial year end or entered into since the end of the previous year.

4. Recurrent Related Party Transaction

There were no significant recurrent related party transactions undertaken by the Group during the financial year ended 31 December 2024.

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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and the Company for the financial year ended 31 December 2024.

Principal activities

The Company is principally engaged in the investment holding. The principal activities and other details of the subsidiaries are disclosed in Note 6 to the financial statements.

Results

	Group RM	Company RM
(Loss)/Profit for the financial year	<u>(719,259)</u>	<u>743,968</u>

Dividends

No dividends were recommended, declared or paid by the Company since the end of the previous financial year.

Reserves and provisions

There were no material transfers to or from reserves or provisions during the financial year.

Issue of shares or debentures

During the financial year, the Company increased its issued and fully paid-up share capital from RM2 to RM49,214,895 (before deducting share issuance expenses of RM824,751) by issuance of 202,799,998 new ordinary shares pursuant to the following:

- (i) 151,085,998 ordinary shares for total consideration of approximately RM23,357,895 as full payment for the acquisition of the entire issued and fully paid-up share capital of Agricore CS Sdn. Bhd. comprising 10,000,000 ordinary shares of RM1.00 each; and
- (ii) 51,714,000 ordinary shares at an issue price of RM0.50 per ordinary share, as part of the listing scheme of the Company on ACE Market of Bursa Malaysia Securities Berhad.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

The Company did not issue any debentures during the financial year.

Share options

The Company did not grant any share options during the financial year.

Bad and doubtful debts

Before the financial statements were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent.

DIRECTORS' REPORT (CONT'D)

Current assets

Before the financial statements were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records have been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to current assets in the financial statements misleading.

Valuation methods

At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group or the Company misleading or inappropriate.

Contingent and other liabilities

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Group or the Company to meet their obligations when they fall due.

Change of circumstances

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

Items of an unusual nature

The results of the operations of the Group and the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group or the Company for the financial year in which this report is made.

Directors

The directors in office since the beginning of the financial year are:

Directors of the Company

Oon Boon Khong	
Koay Hooi Lynn	
Fu Yew Sun	
Lee Seow Ling	
Teh Boon Beng	(appointed on 24.1.2024)
Chan Kay Ding	(resigned on 24.1.2024)
Datuk Keh Chuan Seng	(resigned on 22.3.2025)

Director of subsidiary (other than directors of the Company)

Datin Cheong Kai Meng

DIRECTORS' REPORT (CONT'D)

Directors' interests

According to the register of directors' shareholdings, the interests in shares in the Company of the directors in office at the end of the financial year are as follows:

Name of director	Number of ordinary shares					
	Direct interest			Deemed interest		
	Balance at 1.1.2024	Allotted/ Bought	Sold	Balance at 31.12.2024	Balance at 1.1.2024	Balance at 31.12.2024
Oon Boon Khong	0	60,707,400	0	60,707,400	0	470,000
Datuk Keh Chuan Seng	0	8,611,900	0	8,611,900	2	66,996,100
Koay Hooi Lynn	0	100,000	(50,000)	50,000	0	0
Fu Yew Sun	0	100,000	0	100,000	0	0
Lee Seow Ling	0	0	0	0	0	0
Teh Boon Beng	0	100,000	(100,000)	0	0	0

By virtue of their interests in shares in the Company, Oon Boon Khong and Datuk Keh Chuan Seng are deemed to have interests in shares in the subsidiary to the extent of the Company's interests, pursuant to Section 8 of the Companies Act 2016.

Directors' benefits

Since the end of the previous financial period, no director has received or become entitled to receive any benefit other than the directors' remuneration [as disclosed in Note 20 to the financial statements] and certain related corporation by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to have arisen by virtue of certain related party transactions as disclosed in Note 24 to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Indemnity and insurance for directors and officers

There was no indemnity given to or liability insurance effected for any director or officer of the Group or the Company during the financial year.

Auditors

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office. The auditors' remuneration is disclosed in Note 19 to the financial statements. There was no indemnity given to or liability insurance effected for the auditors during the financial year.

Signed in accordance with a resolution of the directors dated 27 March 2025

Teh Boon Beng

Oon Boon Khong

STATEMENT BY DIRECTORS

Statement by directors

In the opinion of the directors, the financial statements set out on pages 74 to 106 give a true and fair view of the financial position of the Group and the Company as at 31 December 2024 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed in accordance with a resolution of the directors dated 27 March 2025

Teh Boon Beng

Oon Boon Khong

STATUTORY DECLARATION

I, Lim Swee Chuan (MIA membership no.: 9254), being the officer primarily responsible for the financial management of Agricare CS Holdings Berhad., do solemnly and sincerely declare that the financial statements set out on pages 74 to 106 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the
abovenamed Lim Swee Chuan at George Town
in the State of Penang on this 27 March 2025

Lim Swee Chuan
Chief Financial Officer

Before me

Shamini A/P M Shanmugam
No. P157
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AGRICORE CS HOLDINGS BERHAD

202301018008 (1511930-P) (Incorporated in Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Agricore CS Holdings Berhad., which comprise the statements of financial position as at 31 December 2024 of the Group and the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 74 to 106.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2024, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

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 *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Group and the Company 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and the Company of the current period. These matters were addressed in the context of our audit of the financial statements of the Group and the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and the Company, the directors are responsible for assessing the Group's and the Company's ability 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 the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AGRICORE CS HOLDINGS BERHAD (CONT'D)

202301018008 (1511930-P) (Incorporated in Malaysia)

Report on the audit of the financial statements (Cont'd)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is 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 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 and the Company, 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 Group's and the Company's internal control.
- 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 Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and the Company 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 auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and the Company, including the disclosures, and whether the financial statements of the Group and the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and the Company of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AGRICORE CS HOLDINGS BERHAD (CONT'D)

202301018008 (1511930-P) (Incorporated in Malaysia)

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT

201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Date: 27 March 2025

Penang

Eddy Chan Wai Hun

02182/10/2025 J
Chartered Accountant

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2024

	Note	2024 RM	2023 RM
Non-current assets			
Property, plant and equipment	4	13,137,637	12,844,252
Right-of-use assets	5	4,813,180	2,616,267
		<u>17,950,817</u>	<u>15,460,519</u>
Current assets			
Inventories	7	24,746,577	22,700,731
Receivables	8	20,637,868	18,221,016
Prepayments		220,868	2,027,795
Current tax assets		1,222,960	0
Cash and cash equivalents	9	21,531,577	11,509,470
		<u>68,359,850</u>	<u>54,459,012</u>
Current liabilities			
Payables	10	10,281,893	12,080,560
Loans and borrowings	11	11,103,055	18,869,401
Lease liabilities	12	897,668	235,278
Contract liabilities	13	232,750	0
Current tax liabilities		153,573	409,239
		<u>22,668,939</u>	<u>31,594,478</u>
Net current assets		45,690,911	22,864,534
Non-current liabilities			
Loans and borrowings	11	6,185,172	7,055,073
Lease liabilities	12	1,966,433	419,301
Deferred tax liabilities	14	667,445	510,021
Deferred income on government grants	15	375,098	206,068
		<u>9,194,148</u>	<u>8,190,463</u>
Net assets		<u>54,447,580</u>	<u>30,134,590</u>
Equity			
Share capital	16	48,390,146	2
Invested capital	16	0	10,000,000
Reorganisation reserve		(13,357,895)	0
Retained profits		19,415,329	20,134,588
Total equity		<u>54,447,580</u>	<u>30,134,590</u>

Remark:

As explained in Note 2.2, consolidated financial statements are prepared as if the combined entity had been in existence throughout the reported periods.

The annexed notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the financial year ended 31 December 2024

	Note	2024 RM	2023 RM
Revenue	17	143,962,115	134,992,166
Cost of goods sold		(128,156,566)	(115,733,635)
Gross profit		<u>15,805,549</u>	<u>19,258,531</u>
Impairment gains on financial assets	18	0	2,000
Other income		682,035	199,938
Administrative and general expenses		(10,609,666)	(5,531,243)
Selling and distribution expenses		(4,506,875)	(3,432,532)
Finance costs		<u>(1,269,983)</u>	<u>(1,443,317)</u>
Profit before tax	19	101,060	9,053,377
Tax expense	21	(820,319)	(2,271,718)
(Loss)/Profit for the financial year		<u>(719,259)</u>	<u>6,781,659</u>
Other comprehensive income for the financial year		0	0
Comprehensive income for the financial year		<u>(719,259)</u>	<u>6,781,659</u>
(Loss)/Earnings per share	22		
- Basic (sen)		<u>(0.40)</u>	<u>4.49</u>
- Diluted (sen)		<u>(0.40)</u>	<u>4.49</u>

Remark:

As explained in Note 2.2, consolidated financial statements are prepared as if the combined entity had been in existence throughout the reported periods.

The annexed notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2024

	Share capital RM	Invested capital RM	Reorganisation reserve RM	Retained profits RM	Total equity RM
Balance at 1 January 2023	2	10,000,000	0	14,775,929	24,775,931
Profit (representing comprehensive income) for the financial year	0	0	0	6,781,659	6,781,659
Dividends	0	0	0	(1,423,000)	(1,423,000)
Balance at 31 December 2023	2	10,000,000	0	20,134,588	30,134,590
Issuance of shares for the acquisition of the subsidiaries	23,357,895	0	0	0	23,357,895
Adjustment on the acquisition of subsidiaries	0	(10,000,000)	(13,357,895)	0	(23,357,895)
Issue of shares for the public issue	25,857,000	0	0	0	25,857,000
Share issuance expenses	(824,751)	0	0	0	(824,751)
Total transactions with owners	48,390,144	(10,000,000)	(13,357,895)	0	25,032,249
Loss (representing comprehensive income) for the financial year	0	0	0	(719,259)	(719,259)
Balance at 31 December 2024	48,390,146	0	(13,357,895)	19,415,329	54,447,580

Remark:
As explained in Note 2.2, consolidated financial statements are prepared as if the combined entity had been in existence throughout the reported periods.

The annexed notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 31 December 2024

	Note	2024 RM	2023 RM
Cash flows from operating activities			
Profit before tax		101,060	9,053,377
Adjustments for:			
Amortisation of deferred income		(30,970)	(17,182)
Depreciation		1,736,386	1,356,079
Gain on derecognition of right-of-use assets		0	(2,048)
Gain on disposal of property, plant and equipment		0	(1,750)
Impairment gains on financial assets		0	(2,000)
Interest expense		1,269,983	1,443,317
Interest income		(324,395)	(97,652)
Inventories written off		64,628	40,167
Loss on disposal of property, plant and equipment		765	0
Property, plant and equipment written off		639	2
Unrealised gain on foreign exchange		(1,903)	0
Operating profit before working capital changes		2,816,193	11,772,310
Changes in:			
Inventories		(2,110,474)	3,305,861
Receivables		(2,416,852)	(2,973,641)
Prepayments		1,806,927	(1,716,267)
Payables		(1,798,667)	(5,466,080)
Contract liabilities		232,750	(28,000)
Cash (absorbed by)/generated from operations		(1,470,123)	4,894,183
Interest received		324,395	97,652
Tax paid		(2,141,521)	(2,588,532)
Net cash (used in)/from operating activities		(3,287,249)	2,403,303
Cash flows from investing activities			
Acquisition of property, plant and equipment		(1,502,088)	(1,661,708)
Acquisition of right-of-use assets	23	(28,812)	0
Grant received		200,000	223,250
Proceeds from disposal of property, plant and equipment		19,000	4,000
Net cash used in investing activities		(1,311,900)	(1,434,458)
Cash flows from financing activities			
Changes in term deposits pledged as security		(790,222)	(186,418)
Dividends paid		0	(1,423,000)
Drawdown of term loan	23	0	1,769,785
Interest paid		(1,269,983)	(1,443,317)
Issue of shares	16	25,857,000	0
Net (decrease)/increase in short-term loans and borrowings	23	(7,806,000)	691,787
Payment of lease liabilities	23	(506,666)	(417,784)
Repayment of term loans	23	(830,247)	(705,163)
Share issuance expenses	16	(824,751)	0
Net cash from/(used in) financing activities		13,829,131	(1,714,110)
Currency translation differences		1,903	0
Net increase/(decrease) in cash and cash equivalents		9,229,982	(745,265)
Cash and cash equivalents brought forward		7,363,972	8,109,237
Cash and cash equivalents carried forward	9	16,595,857	7,363,972

Remark:

As explained in Note 2.2, consolidated financial statements are prepared as if the combined entity had been in existence throughout the reported periods.

The annexed notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

as at 31 December 2024

	Note	2024 RM	2023 RM
Non-current assets			
Property, plant and equipment	4	5,141	0
Investment in subsidiaries	6	43,357,895	0
		43,363,036	0
Current assets			
Receivables	8	1,000	0
Cash and cash equivalents	9	5,793,316	2
		5,794,316	2
Current liabilities			
Payables	10	35,358	12,120
		35,358	12,120
Net current assets/(liabilities)		5,758,958	(12,118)
Net assets/(liabilities)		49,121,994	(12,118)
Equity			
Share capital	16	48,390,146	2
Retained profits/(Accumulated losses)		731,848	(12,120)
Total equity		49,121,994	(12,118)

The annexed notes form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

for the financial year ended 31 December 2024

		01.01.2024 to 31.12.2024 RM	16.05.2023 to 31.12.2023 RM
	Note		
Revenue	17	4,000,000	0
Other income		176,128	0
Administrative and general expenses		(3,432,160)	(12,120)
Profit/(Loss) before tax	19	743,968	(12,120)
Tax expense	21	0	0
Profit/(Loss) for the financial year/period		743,968	(12,120)
Other comprehensive income for the financial year/period		0	0
Comprehensive income for the financial year/period		743,968	(12,120)

The annexed notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2024

	Share capital RM	(Accumulated losses)/ Retained profits RM	Total equity RM
Balance at date of incorporation	2	0	2
Loss (representing comprehensive income) for the financial period	0	(12,120)	(12,120)
Balance at 31 December 2023	2	(12,120)	(12,118)
Issuance of shares for the acquisitions of subsidiaries	23,357,895	0	23,357,895
Issuance of shares for the public issue	25,857,000	0	25,857,000
Share issuance expenses	(824,751)	0	(824,751)
Total transactions with owners	48,390,144	0	48,390,144
Profit (representing comprehensive income) for the financial year	0	743,968	743,968
Balance at 31 December 2024	48,390,146	731,848	49,121,994

The annexed notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

for the financial year ended 31 December 2024

	Note	01.01.2024 to 31.12.2024 RM	16.05.2023 to 31.12.2023 RM
Cash flows from operating activities			
Profit/(Loss) before tax		743,968	(12,120)
Adjustments for:			
Depreciation		367	0
Interest income		(176,128)	0
Operating profit before working capital changes		568,207	(12,120)
Changes in:			
Receivables		(1,000)	0
Payables		23,238	12,120
Cash generated from operations		590,445	0
Interest received		176,128	0
Net cash from operating activities		766,573	0
Cash flows from investing activities			
Acquisition of property, plant and equipment		(5,508)	0
Subscription for preference shares in subsidiary		(20,000,000)	0
Net cash used in investing activities		(20,005,508)	0
Cash flows from financing activity			
Issue of shares	16	25,857,000	0
Share issuance expenses	16	(824,751)	0
Net cash from financing activities		25,032,249	0
Net increase in cash and cash equivalents		5,793,314	0
Cash and cash equivalents brought forward/at date of incorporation		2	2
Cash and cash equivalents carried forward	9	5,793,316	2

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

1. General information

The Company is a public company limited by shares, incorporated and domiciled in Malaysia and listed on the ACE Market of Bursa Malaysia Securities Berhad.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 6.

The registered office of the Company is located at 57-G, Persiaran Bayan Indah, Bayan Bay, Sungai Nibong, 11900 Bayan Lepas, Pulau Pinang, Malaysia and its principal place of business is located at 1173, Jalan Perindustrian Bukit Minyak 2, Kawasan Perindustrian Bukit Minyak, 14100 Bukit Mertajam, Pulau Pinang, Malaysia.

The consolidated financial statements set out on pages 74 to 77 together with the notes thereto cover the Company and its subsidiaries ("Group"). The separate financial statements of the Company set out on pages 78 to 81 together with the notes thereto cover the Company solely.

The presentation currency of the financial statements is Ringgit Malaysia ("RM").

The financial statements were authorised for issue in accordance with a resolution of the directors dated 27 March 2025.

2. Material accounting policy information

2.1 Basis of preparation of financial statements

The financial statements of the Group and the Company are prepared under the historical cost convention, modified to include other bases of measurement as disclosed in other sections of the material accounting policy information, and in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

The following MFRSs became effective for the financial year under review:

MFRS	Effective for annual periods beginning on or after
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024

The initial application of the above MFRSs did not have any significant impacts on the financial statements.

The Group and the Company have not applied the following MFRSs which have been issued as at the end of the reporting period but are not yet effective:

MFRS (issued as at the end of the reporting period)	Effective for annual periods beginning on or after
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to MFRS 9 and MFRS 7 <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

2. Material accounting policy information (Cont'd)

2.1 Basis of preparation of financial statements (Cont'd)

Except for the adoption of MFRS 18, management foresees that the initial application of the above MFRSs will not have any significant impacts on the financial statements.

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18, which will replace MFRS 101 *Presentation of Financial Statements* upon its adoption, aims to provide better information about entities' financial performance and enhance financial reporting quality. The key changes introduced by MFRS 18 are:

- classification of income and expenses into five categories (i.e. operating, investing, financing, income taxes and discontinued operations);
- presentation of two defined subtotals (i.e. operating profit or loss and profit or loss before financing and income taxes) in the statement of profit or loss;
- disclosures about management-defined performance measures; and
- new principles for aggregation and disaggregation of information.

The Group and the Company will initially apply the new requirements of MFRS 18 in the financial year ending 31 December 2027.

2.2 Basis of consolidation

The Group applies the acquisition method of accounting for those business combinations which were accounted for using merger method of accounting.

Under the merger method of accounting, the assets and liabilities of the merger entities are reflected in the consolidated financial statements at their carrying amounts reported in the individual financial statements. The consolidated statement of profit or loss and other comprehensive income reflects the results of the merger entities for the full reporting period (irrespective of when then the combination takes place) and comparatives are presented as if the entities had always been combined since the date for which the entities had come under common control.

The difference between the cost of the merger and the share capital and capital reserves of the merger entities is reflected within equity as reorganisation reserve.

2.3 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.7.

Capital work-in-progress is not depreciated. Other property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets using the following annual rates:

Buildings	2% - 2.5%
Cold room	10%
Furniture, fittings and equipment	10% - 30%
Motor vehicles	10%
Plant and machinery	10% - 20%

The residual value, useful life and depreciation method of an asset are reviewed at least at the end of each reporting period and any changes in expectations from previous estimates are accounted for prospectively as changes in accounting estimates.

2.4 Investment properties

Investment property is property held (by the owner or the lessee as a right-of-use asset) to earn rentals or for capital appreciation or both. Investment property is stated at cost less accumulated depreciation and accumulated impairment losses, if any. The impairment policy is disclosed in Note 2.7.

Leasehold land is depreciated on a straight-line basis over the lease term of 60 years.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

2. Material accounting policy information (cont'd)

2.5 Leases

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

Lessor accounting

When the Group or the Company acts as a lessor, it classifies each lease as either an operating lease or a finance lease. A finance lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, whereas an operating lease does not.

Lease payments from operating leases are recognised as income on a straight-line basis over the lease term. The Group and the Company have not entered into any finance lease.

Lessee accounting

Initial recognition and measurement

When the Group or the Company acts as a lessee, it recognises a right-of-use asset (representing its right to use the underlying leased asset) and a lease liability (representing its obligation to make lease payments) at the commencement date. The Group and the Company have elected not to apply such recognition principle to short-term leases (which have a lease term of 12 months or less) and leases of low-value assets. The lease payments associated with those leases are recognised as an expense on a straight-line basis over the lease term.

A right-of-use asset is initially recognised at cost, which comprises the initial amount of lease liability, any lease payments made at or before the commencement date (less any lease incentives), any initial direct costs and any estimated dismantling, removing and restoring costs.

A lease liability is initially recognised at the present value of the unpaid lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. The unpaid lease payments included in the measurement of lease liability comprise fixed payments (less any lease incentives), variable lease payments linked to an index or a rate, expected amounts payable under residual value guarantees, the exercise price of a purchase option reasonably certain to be exercised and the penalties of a termination option reasonably certain to be exercised.

Subsequent measurement

A right-of-use asset that meets the definition of investment property is subsequently measured using the cost model as disclosed in Note 2.4. Other right-of-use assets are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any remeasurement of lease liability. The impairment policy is disclosed in Note 2.7.

If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that a purchase option will be exercised, the right-of-use asset is depreciated on a straight-line basis from the commencement date to the end of its useful life. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of its useful life or the end of the lease term.

A lease liability is subsequently measured at amortised cost, and remeasured to reflect any reassessment (arising from changes to the lease payments) or lease modifications.

2.6 Investment in subsidiaries

As required by the Companies Act 2016, the Company prepares separate financial statements in addition to the consolidated financial statements. In the separate financial statements of the Company, investment in subsidiary is stated at cost less impairment losses, if any. The impairment policy is disclosed in Note 2.7.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

2. Material accounting policy information (cont'd)

2.7 Impairment of non-financial assets

At the end of each reporting period, the Group and the Company assess whether there is any indication that a non-financial asset, other than inventories, may be impaired. If any such indication exists, the recoverable amount of the asset, being the higher of its fair value less costs of disposal and its value in use, is estimated. Irrespective of whether there is any indication of impairment, goodwill is tested for impairment annually. Any excess of the carrying amount of the asset over its recoverable amount represents an impairment loss and is recognised in profit or loss.

An impairment loss on an asset, other than goodwill, is reversed if there has been a change in the estimates used to determine the recoverable amount and it is reversed only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised. The reversal is recognised in profit or loss. An impairment loss on goodwill is not reversed.

2.8 Inventories

Inventories are valued at the lower of cost (determined principally on the first-in, first-out basis) and net realisable value. Cost consists of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

2.9 Contract assets and contract liabilities

A contract is presented in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment. A contract asset is an entity's right to consideration in exchange for goods or services transferred to a customer when that right is conditioned on something other than the passage of time. The asset is subject to impairment assessment on the same basis as trade receivables as disclosed in Note 2.10. A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

2.10 Financial assets

Financial assets of the Group and the Company consist of receivables and cash and cash equivalents.

Initial recognition and measurement

A financial asset is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument. Trade receivables that do not contain a significant financing component are initially recognised at their transaction price (as defined in Note 2.14). Other financial assets are initially recognised at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Subsequent measurement

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss in accordance with their classification on the basis of both the business model within which they are held and their contractual cash flow characteristics.

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. All receivables and cash and cash equivalents are classified under this category. Any gain or loss is recognised in profit or loss when the financial asset is derecognised, reclassified, through the amortisation process or in order to recognise impairment gains or losses.

Impairment

At each reporting date, the Group and the Company recognise a loss allowance for expected credit losses on a financial asset measured at amortised cost. The loss allowance is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to 12-month expected credit losses. Any adjustment to the loss allowance is recognised in profit or loss as an impairment gain or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

2. Material accounting policy information (cont'd)

2.10 Financial assets (cont'd)

Impairment (cont'd)

Irrespective of whether there is any significant increase in credit risk since initial recognition, the loss allowance for trade receivables is always measured at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9 *Financial Instruments*. Such lifetime expected credit losses are calculated using a provision matrix based on historical credit loss experience and adjusted for reasonable and supportable forward-looking information that is available without undue cost or effort.

The expected credit losses for a credit-impaired financial asset are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The gross carrying amount of a credit-impaired financial asset is directly written off when there is no reasonable expectation of recovery.

Derecognition

A financial asset is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or all the risks and rewards of ownership are substantially transferred. A direct write-off of gross carrying amount when there is no reasonable expectation of recovering a financial asset constitutes a derecognition event.

Fair value measurement

The carrying amounts of receivables and cash and cash equivalents which are short-term in nature or repayable on demand are reasonable approximations of fair values.

2.11 Financial liabilities

Financial liabilities of the Group and the Company consist of payables, loans and borrowings and financial guarantee contracts.

Initial recognition and measurement

A financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is initially recognised at fair value minus transaction costs.

Subsequent measurement

All payables and loans and borrowings are subsequently measured at amortised cost. Any gain or loss is recognised in profit or loss when the financial liability is derecognised and through the amortisation process.

Financial guarantee contracts are subsequently measured at the higher of the amount of loss allowance and the amount initially recognised less any cumulative income recognised.

Derecognition

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires.

Fair value measurement

The carrying amounts of payables and loans and borrowings which are short-term in nature or repayable on demand are reasonable approximations of fair values. The fair values of long-term loans and borrowings are measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

2. Material accounting policy information (cont'd)

2.12 Foreign currency transactions and translation

The consolidated financial statements and separate financial statements of the Company are presented in Ringgit Malaysia, which is also the Company's functional currency, being the currency of the primary economic environment in which the entity operates. Items included in the financial statements of each individual entity within the Group are measured using the individual entity's own functional currency.

A foreign currency transaction is recorded in the functional currency using the exchange rate at transaction date. At the end of the reporting period, foreign currency monetary items are translated into the functional currency using the closing rate. Foreign currency non-monetary items measured at cost are translated using the exchange rate at transaction date, whereas those measured at fair value are translated using the exchange rate at valuation date. Exchange differences arising from the settlement or translation of monetary items are recognised in profit or loss. Any exchange component of the gain or loss on a non-monetary item is recognised on the same basis as that of the gain or loss, i.e. in profit or loss or in other comprehensive income.

2.13 Share capital

Ordinary shares are classified as equity. Transaction costs that relate to the issue of new shares are accounted for as a deduction from equity.

Dividends on shares declared and unpaid at the end of the reporting period are recognised as a liability, whereas dividends proposed or declared after the reporting period are disclosed in the notes to the financial statements.

2.14 Revenue from contracts with customers

The Group and the Company recognise revenue (by applying the following steps) to depict the transfer of promised goods or services to customers at the transaction price.

- (i) Step 1: Identify contract - A contract is an agreement between two or more parties that creates enforceable rights and obligations.
- (ii) Step 2: Identify performance obligations - Each promise to transfer distinct goods or services is identified as a performance obligation and accounted for separately.
- (iii) Step 3: Determine transaction price - The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. It is adjusted for the effects of variable consideration (e.g. discounts, rebates, incentives or penalties), significant financing component, non-cash consideration and consideration payable to customer.
- (iv) Step 4: Allocate transaction price to performance obligations - The transaction price is allocated to each performance obligation on the basis of the relative (estimated) stand-alone selling prices of each distinct good or service promised in the contract.
- (v) Step 5: Recognise revenue - Revenue is recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). Revenue is recognised either over time or at a point in time depending on the timing of transfer of control.

The Group determine that the transfer of control of promised goods generally coincides with the transfer of risks and rewards of ownership. Accordingly, revenue from the sale of goods is recognised at a point in time when the significant risks and rewards of ownership have been transferred to the customer upon delivery.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

2. Material accounting policy information (cont'd)

2.15 Other income

Dividend income is recognised in profit or loss only when the entity's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

Interest income is recognised in profit or loss using the effective interest method.

Operating lease income is recognised in profit or loss on a straight-line basis over the lease term.

2.16 Government grants

Government grants are recognised when there is reasonable assurance that the Group or the Company will comply with the conditions attaching to the grants and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group or the Company recognises as expenses the related costs for which the grants are intended to compensate. Grants related to assets are presented in the statement of financial position as deferred income which is amortised on a straight-line basis over the estimated useful lives of the assets. Grants related to income are presented under "other income" in the statement of comprehensive income.

2.17 Employee benefits

Short-term employee benefits

Short-term employee benefits such as wages, salaries, bonuses and social security contributions are recognised in profit or loss or included in the cost of an asset, where appropriate, in the period in which the associated services are rendered by the employee.

Defined contribution plans

As required by law, employers in Malaysia make contributions to the statutory pension scheme, Employees Provident Fund ("EPF"). Contributions to defined contribution plans are recognised in profit or loss or included in the cost of an asset, where appropriate, in the period in which the associated services are rendered by the employee.

2.18 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, which is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of the asset, until such time as the asset is substantially ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.19 Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax represents the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided for under the liability method in respect of all temporary differences between the carrying amount of an asset or liability and its tax base except for those temporary differences associated with goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and, at the time of the transaction, affects neither accounting nor taxable results and does not give rise to equal taxable and deductible temporary differences.

A deferred tax liability is recognised for all taxable temporary differences, whereas a deferred tax asset is recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

2. Material accounting policy information (cont'd)

2.20 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, term deposits that are withdrawable on demand and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

3. Judgements and estimation uncertainty

Judgements made in applying accounting policies

In the process of applying the accounting policies of the Group and the Company, management is not aware of any judgements, apart from those involving estimations, that can significantly affect the amounts recognised in the financial statements.

Sources of estimation uncertainty

The key assumptions about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Valuation of inventories

Reviews are made periodically by management on inventories for excess inventories, obsolescence and decline in net realisable value below cost. These reviews involve judgements and estimation uncertainty in forming expectations about future sales and demands. Any changes in these accounting estimates will result in revisions to the valuation of inventories (Note 7).

Impairment of receivables

The Group and the Company recognise loss allowance for expected credit losses on receivables based on an assessment of credit risk. Such assessment involves judgements and estimation uncertainty in analysing information about past events, current conditions and forecasts of future economic conditions. Any changes in these accounting estimates will affect the carrying amounts of receivables (Note 8).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

4. Property, plant and equipment

Group	Buildings RM	Cold room RM	Furniture, fittings and equipment RM	Motor vehicles RM	Plant and machinery RM	Capital work-in- progress RM	Total RM
Cost							
Balance at 1 January 2023	8,763,243	744,688	1,321,970	1,054,430	3,994,411	23,100	15,901,842
Additions	7,064	0	118,444	177,942	1,358,258	0	1,661,708
Disposals/Write-offs	0	0	0	(100,000)	(7,500)	0	(107,500)
Reclassifications	23,100	0	0	0	0	(23,100)	0
Transfer from right-of-use assets	0	0	0	527,470	268,400	0	795,870
Balance at 31 December 2023	8,793,407	744,688	1,440,414	1,659,842	5,613,569	0	18,251,920
Additions	0	0	259,961	544,207	697,920	0	1,502,088
Disposals/Write-offs	0	0	(890)	(69,760)	(190)	0	(70,840)
Balance at 31 December 2024	8,793,407	744,688	1,699,485	2,134,289	6,311,299	0	19,683,168
Accumulated depreciation							
Balance at 1 January 2023	839,692	372,344	773,901	498,753	1,518,510	0	4,003,200
Depreciation	171,331	74,469	166,972	140,883	553,312	0	1,106,967
Disposals/Write-offs	0	0	0	(99,998)	(5,250)	0	(105,248)
Transfer from right-of-use assets	0	0	0	337,629	65,120	0	402,749
Balance at 31 December 2023	1,011,023	446,813	940,873	877,267	2,131,692	0	5,407,668
Depreciation	171,554	74,469	165,724	170,259	606,293	0	1,188,299
Disposals/Write-offs	0	0	(252)	(49,995)	(189)	0	(50,436)
Balance at 31 December 2024	1,182,577	521,282	1,106,345	997,531	2,737,796	0	6,545,531
Carrying amount							
Balance at 1 January 2023	7,923,551	372,344	548,069	555,677	2,475,901	23,100	11,898,642
Balance at 31 December 2023	7,782,384	297,875	499,541	782,575	3,481,877	0	12,844,252
Balance at 31 December 2024	7,610,830	223,406	593,140	1,136,758	3,573,503	0	13,137,637

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

4. Property, plant and equipment (cont'd)

The carrying amounts of property, plant and equipment pledged as security for credit facilities granted to the Group are as follows:

	Group	
	2024 RM	2023 RM
Buildings	7,610,830	7,782,384
Cold room	223,406	297,875
Plant and machinery	217,212	337,822
	<u>8,051,448</u>	<u>8,418,081</u>
Company		
		Furniture, fittings and equipments RM
Cost		
Balance at date of incorporation / 31 December 2023		0
Addition		5,508
Balance at 31 December 2024		<u>5,508</u>
Accumulated depreciation		
Balance at date of incorporation / 31 December 2023		0
Depreciation		367
Balance at 31 December 2024		<u>367</u>
Carrying amount		
Balance at date of incorporation		<u>0</u>
Balance at 31 December 2023		<u>0</u>
Balance at 31 December 2024		<u>5,141</u>

5. Right-of-use assets

Group	Leasehold land RM	Buildings RM	Motor vehicles RM	Plant and Machinery RM	Total RM
Balance at 1 January 2023	1,746,449	469,945	860,944	214,463	3,291,801
Depreciation	(36,383)	(116,099)	(85,447)	(11,183)	(249,112)
Derecognition	0	(33,301)	0	0	(33,301)
Transfer to property, plant and equipment	0	0	(189,841)	(203,280)	(393,121)
Balance at 31 December 2023	1,710,066	320,545	585,656	0	2,616,267
Additions	0	2,606,188	138,812	0	2,745,000
Depreciation	(36,385)	(432,693)	(79,009)	0	(548,087)
Balance at 31 December 2024	<u>1,673,681</u>	<u>2,494,040</u>	<u>645,459</u>	<u>0</u>	<u>4,813,180</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

5. Right-of-use assets (cont'd)

The Group acquired the right to use the leasehold land as their principal place of business for 60 years. The Group also leases the buildings as food processing plant and warehouse for 4 years (2023: 4 years). The rights to use the motor vehicles and plant and machinery were acquired under hire purchase financing whereby ownership will be transferred by the end of the lease term of 5 years.

The leasehold land has been pledged as security for credit facilities granted to the Group.

6. Investment in subsidiaries

Company

	2024 RM	2023 RM
Unquoted shares - at cost	43,357,895	0

The details of the subsidiary are as follows:

Name of subsidiary	Principal place of business/ Country of incorporation	Effective ownership interest		Principal activity
		2024	2023	
Agricore CS Sdn. Bhd. ("ACS")	Malaysia	100%	0%	Sourcing and distribution of plant-based agricultural food ingredients
<u>Subsidiary of ACS</u>				
Bapas Food Products Sdn. Bhd.	Malaysia	100%	0%	Production and sale of food additives and fried shallots

7. Inventories

Group

	2024 RM	2023 RM
Raw materials	1,643,121	1,661,206
Work-in-progress	267,041	29,598
Finished goods	799,037	772,603
Trading goods	12,362,063	10,117,088
Goods-in-transit	9,675,315	10,120,236
	<u>24,746,577</u>	<u>22,700,731</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

8. Receivables

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade receivables:				
- Subsidiary	0	0	0	0
- Unrelated parties	20,275,146	18,110,606	1,000	0
	20,275,146	18,110,606	1,000	0
- Loss allowance	(1,520)	(1,520)	0	0
	20,273,626	18,109,086	1,000	0
Other receivables	364,242	111,930	0	0
	20,637,868	18,221,016	1,000	0

Trade receivables

The Group determine credit risk concentration in terms of counterparties. As at 31 December 2024, the Group did not have any major credit risk concentration relating to any individual customer or counterparty.

The credit terms of trade receivables range from 30 to 90 days. The Group use past due information to assess the credit risk of trade receivables. The analysis by past due status is as follows:

	Group	
	2024 RM	2023 RM
Not past due	14,050,424	12,565,137
1 to 30 days past due	4,822,295	4,751,147
31 to 60 days past due	1,045,390	629,306
61 to 90 days past due	157,115	29,405
More than 90 days past due	199,922	135,611
	20,275,146	18,110,606

The Group determine that a trade receivable is credit-impaired when the customer is experiencing significant financial difficulty and has defaulted in payments. Unless otherwise demonstrated, the Group and generally consider a default to have occurred when the trade receivable is more than 90 days past due. The gross carrying amount of a credit-impaired trade receivable is directly written off when there is no reasonable expectation of recovery. This normally occurs when there is reasonable proof of customer insolvency.

The Group measure the loss allowance for trade receivables at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9. The changes in the loss allowance are as follows:

	Group	
	2024 RM	2023 RM
Balance at 1 January	1,520	11,637
Impairment gains	0	(2,000)
Write-offs	0	(8,117)
Balance at 31 December	1,520	1,520

The above loss allowance is in respect of individually assessed credit-impaired trade receivables. Based on the low historical observed default rates (adjusted for forward-looking estimates), the expected credit losses on trade receivables that are not credit-impaired are not considered to be material and hence, have not been recognised.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

9. Cash and cash equivalents

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Cash and bank balances	9,093,380	7,061,666	5,793,316	2
Term deposits	12,438,197	4,447,804	0	0
	<u>21,531,577</u>	<u>11,509,470</u>	<u>5,793,316</u>	<u>2</u>

Cash and cash equivalents are placed with reputable financial institutions with low credit risk. Accordingly, their expected credit losses are not considered to be material and hence, have not been recognised.

Certain term deposits of the Group totalling RM4,935,720 (2023 : RM4,145,498) have been pledged as security for credit facilities granted to the Group. Accordingly, these term deposits are not freely available for use.

The effective interest rates of term deposits as at 31 December 2024 ranged from 2.00% to 2.90% (2023 : 2.10% to 3.10%) per annum.

For the purpose of statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Cash and cash equivalents	21,531,577	11,509,470	5,793,316	2
Term deposits pledged as security	(4,935,720)	(4,145,498)	0	0
	<u>16,595,857</u>	<u>7,363,972</u>	<u>5,793,316</u>	<u>2</u>

10. Payables

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Trade payables	8,868,228	11,078,193	0	0
Other payables	1,413,665	1,002,367	35,358	12,120
	<u>10,281,893</u>	<u>12,080,560</u>	<u>35,358</u>	<u>12,120</u>

Payables are generally short-term in nature or repayable on demand and their carrying amounts will approximate to the remaining contractual undiscounted cash flows.

The credit terms of trade and other payables range from 30 to 180 days.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

11. Loans and borrowings

Group

	2024 RM	2023 RM
Secured		
Banker acceptances	10,231,000	17,185,000
Term loans	7,057,227	7,887,474
Unsecured		
Banker acceptances	0	852,000
	<u>17,288,227</u>	<u>25,924,474</u>
Disclosed as:		
- Current liabilities	11,103,055	18,869,401
- Non-current liabilities	<u>6,185,172</u>	<u>7,055,073</u>
	<u>17,288,227</u>	<u>25,924,474</u>

Secured loans and borrowings are secured against certain property, plant and equipment (Note 4), right-of-use assets (Note 5) and term deposits (Note 9).

The effective interest rates of loans and borrowings as at 31 December 2024 ranged from 3.50% to 7.00% (2023 : 3.50% to 7.00%) per annum.

Except for term loans, loans and borrowings are generally short-term in nature or repayable on demand and their carrying amounts will approximate to the remaining contractual undiscounted cash flows.

Term loans are repayable over 1 to 15 years. The repayment analysis is as follows:

	2024 RM	2023 RM
Gross loan instalments:		
- Within 1 year	1,183,908	1,183,908
- 1 to 5 years	3,411,290	3,755,987
- After 5 years	<u>4,439,937</u>	<u>5,293,006</u>
Total contractual undiscounted cash flows	9,035,135	10,232,901
Future finance charges	<u>(1,977,908)</u>	<u>(2,345,427)</u>
Present value of term loans	<u>7,057,227</u>	<u>7,887,474</u>

The fair values of term loans were measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities. The fair values measured were considered to be reasonably close to the carrying amounts reported as the observable current market interest rates also approximated to the effective interest rates of term loans.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

12. Lease liabilities

Group

	2024 RM	2023 RM
Gross lease liabilities:		
- Within 1 year	997,852	261,642
- 1 to 5 years	2,067,317	437,924
Total contractual undiscounted cash flows	3,065,169	699,566
Future finance charges	(201,068)	(44,987)
Present value of lease liabilities	<u>2,864,101</u>	<u>654,579</u>
Disclosed as:		
- Current liabilities	897,668	235,278
- Non-current liabilities	1,966,433	419,301
	<u>2,864,101</u>	<u>654,579</u>

The incremental borrowing rates applied to lease liabilities as at 31 December 2024 ranged from 4.00% to 8.50% (2023 : 4.00% to 8.50%) per annum.

13. Contract liabilities

Group

	2024 RM	2023 RM
Balance at 1 January	0	28,000
Revenue recognised from opening contract liabilities	0	(28,000)
Excess of consideration over revenue recognised	232,750	0
Balance at 31 December	<u>232,750</u>	<u>0</u>

As disclosed in Note 2.14, the Group generally satisfies its performance obligations at a point in time upon delivery of goods. Any consideration received or due in advance before a performance obligation is satisfied is presented as contract liability.

As a practical expedient, information about remaining performance obligations for contracts with original duration of one year or less has not been disclosed.

14. Deferred tax liabilities

Group

	2024 RM	2023 RM
Balance at 1 January	510,021	430,290
Deferred tax expense relating to origination and reversal of temporary differences	149,558	47,312
Deferred tax liabilities underprovided in prior year	7,866	32,419
Balance at 31 December	<u>667,445</u>	<u>510,021</u>
In respect of:		
- Taxable/(Deductible) temporary differences of:		
- Property, plant and equipment	660,098	493,134
- Right-of-use assets	697,525	147,807
- Financial instruments	0	(1,000)
- Lease liabilities	(690,178)	(129,920)
	<u>667,445</u>	<u>510,021</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

15. Deferred income on government grants

Group

	2024 RM	2023 RM
Balance at 1 January	206,068	0
Grants related to property, plant and equipment	200,000	223,250
Amortisation	(30,970)	(17,182)
Balance at 31 December	<u>375,098</u>	<u>206,068</u>

The Group received grants from the local government for productivity and automation project and modernisation and upgrading of its manufacturing facilities. The grants covered 50% and 80% of the project costs subject to the limits approved by the local government.

16. Share capital and invested capital**Share capital**

Group and Company

	Number of ordinary shares with no par value	RM
Issued and fully paid		
Balance at date of incorporation / 31 December 2023	2	2
Issuance of share pursuant to acquisition of subsidiaries	151,085,998	23,357,895
Issuance of share pursuant to public issue	51,714,000	25,857,000
Share issuance expenses	0	(824,751)
Balance at 31 December 2024	<u>202,800,000</u>	<u>48,390,146</u>

Invested capital

Group

	Number of ordinary shares with no par value	RM
Issued and fully paid		
Ordinary shares:		
Balance at 1 January 2023 / 31 December 2023	10,000,000	10,000,000
Adjustment on the acquisition of subsidiaries	(10,000,000)	(10,000,000)
Balance at 31 December 2024	<u>0</u>	<u>0</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

17. Revenue

	Group		Company	
	2024	2023	01.01.2024 to 31.12.2024	16.05.2023 to 31.12.2023
	RM	RM	RM	RM
Revenue from contracts with customers:				
- Sale of goods	143,962,115	134,992,166	0	0
Other source of revenue:				
- Dividend income	0	0	4,000,000	0
	<u>143,962,115</u>	<u>134,992,166</u>	<u>4,000,000</u>	<u>0</u>
Major products:				
- Sourcing and distribution of plant based agricultural products	127,570,711	119,808,304	0	0
- Production of food additives and fried shallots	16,391,404	15,183,862	0	0
	<u>143,962,115</u>	<u>134,992,166</u>	<u>0</u>	<u>0</u>
Disaggregated by geographical areas:				
- Malaysia	143,519,177	132,864,223	0	0
- Oversea	442,938	2,127,943	0	0
	<u>143,962,115</u>	<u>134,992,166</u>	<u>0</u>	<u>0</u>

18. Impairment gains on financial assets

Group	01.01.2024 to 31.12.2024	16.05.2023 to 31.12.2023
	RM	RM
Trade receivables from contracts with customers	<u>0</u>	<u>2,000</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

19. Profit/(Loss) before tax

	Group		Company	
	2024	2023	01.01.2024 to 31.12.2024	16.05.2023 to 31.12.2023
	RM	RM	RM	RM
Profit/(Loss) before tax is arrived at after charging:				
Auditors' remuneration:				
- Current year	70,000	40,000	20,000	3,000
- Prior year	13,000	0	0	0
Depreciation of property, plant and equipment	1,188,299	1,106,967	367	0
Depreciation of right-of-use assets	548,087	249,112	0	0
Employee benefits expense (Note 20)	7,611,947	5,758,638	180,150	0
Interest expense for financial liabilities not measured at fair value through profit or loss	1,198,503	1,398,907	0	0
Interest expense for lease liabilities	71,480	44,410	0	0
Inventories written off	64,628	40,167	0	0
Lease expense relating to:				
- Short-term leases	305,359	433,063	0	0
- Leases of low-value assets (other than short-term leases)	7,895	6,420	0	0
Listing expenses	3,161,559	0	3,161,559	0
Loss on disposal of property, plant and equipment	765	0	0	0
Property, plant and equipment written off	639	2	0	0
Realised loss on foreign exchange	0	73,153	0	0
and crediting:				
Amortisation of deferred income	30,970	17,182	0	0
Gain on disposal of property, plant and equipment	0	1,750	0	0
Gain on derecognition of right-of-use assets	0	2,048	0	0
Gain on foreign exchange				
- Realised	279,761	0	0	0
- Unrealised	1,903	0	0	0
Interest income for financial assets measured at amortised cost	324,395	97,652	176,128	0
Operating lease income	1,200	3,570	0	0

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

20. Employee benefits expense (including directors' remuneration)

	Group		Company	
	2024	2023	01.01.2024 to 31.12.2024	16.05.2023 to 31.12.2023
	RM	RM	RM	RM
Directors of the Company:				
- Fees	347,680	56,000	168,750	0
- Other short-term employee benefits	518,902	491,041	11,400	0
- Defined contribution plans	62,351	52,969	0	0
	928,933	600,010	180,150	0
Other employees:				
- Short-term employee benefits	6,140,084	4,747,565	0	0
- Defined contribution plans	542,930	411,063	0	0
	6,683,014	5,158,628	0	0
	<u>7,611,947</u>	<u>5,758,638</u>	<u>180,150</u>	<u>0</u>

21. Tax expense

	Group	
	2024 RM	2023 RM
Tax based on results for the year:		
- Current tax	670,028	2,232,511
- Deferred tax	149,558	39,682
	<u>819,586</u>	<u>2,272,193</u>
Tax (over)/under provided in prior year:		
- Current tax	(7,133)	(32,894)
- Deferred tax	7,866	32,419
	<u>820,319</u>	<u>2,271,718</u>

The differences between the tax expense and accounting profit multiplied by the statutory income tax rate are due to the tax effects of the following items:

	Group	
	2024 RM	2023 RM
Profit before tax	<u>101,060</u>	<u>9,053,377</u>
Tax at applicable tax rate of 24%	24,254	2,172,810
Non-deductible expenses	1,872,707	99,383
Non-taxable income	(1,077,375)	0
Tax under/(over) provided in prior year	733	(475)
Tax expense	<u>820,319</u>	<u>2,271,718</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

22. (Loss)/Earnings per share

Group

The basic (loss)/earnings per share is calculated by dividing the Group's (loss)/earnings for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year as follows:

	2024	2023
(Loss)/Earnings for the financial year attributable to owners of the Company (RM)	<u>(719,259)</u>	<u>6,781,659</u>
Weighted average number of shares in issue (units)	<u>181,405,989</u>	<u>151,086,000*</u>
Basic (loss)/earnings per share (sen)	<u>(0.40)</u>	<u>4.49</u>

The diluted (loss)/earnings per share equals the basic (loss)/earnings per share as the Company did not have any dilutive potential ordinary shares during the financial year.

* In the calculation of (loss)/earnings per share for the financial year ended 31 December 2023, it assumed that 151,086,000 ordinary shares were in issue as the acquisition of subsidiaries was accounted for under the merger of accounting.

23. Notes to statements of cash flows

Group

Acquisition of right-of-use assets

	2024 RM	2023 RM
Cost of right-of-use assets acquired	2,745,000	0
Acquisition by means of leases	<u>(2,716,188)</u>	<u>0</u>
Net cash disbursed	<u>28,812</u>	<u>0</u>

Term loans

	2024 RM	2023 RM
Balance at 1 January	7,887,474	6,822,852
Drawdowns	0	1,769,785
Repayments	<u>(830,247)</u>	<u>(705,163)</u>
Balance at 31 December (Note 11)	<u>7,057,227</u>	<u>7,887,474</u>

Short-term loans and borrowings

	2024 RM	2023 RM
Balance at 1 January	18,037,000	17,345,213
Net cash flow changes	<u>(7,806,000)</u>	<u>691,787</u>
Balance at 31 December (Note 11)	<u>10,231,000</u>	<u>18,037,000</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

23. Notes to statements of cash flows (Cont'd)

Group (Cont'd)

Lease liabilities

	2024 RM	2023 RM
Balance at 1 January	654,579	1,107,712
Acquisition of right-of-use assets	2,716,188	0
Derecognition	0	(35,349)
Payments	(506,666)	(417,784)
Balance at 31 December (Note 12)	<u>2,864,101</u>	<u>654,579</u>

The total cash outflow for leases is as follows:

	2024 RM	2023 RM
Operating activities		
Lease expense recognised in profit or loss (Note 19)	313,254	439,483
Investing activities		
Acquisition of right-of-use assets	2,716,188	0
Financing activities		
Interest portion of lease liabilities (Note 19)	71,480	44,410
Principal portion of lease liabilities	<u>506,666</u>	<u>417,784</u>
	<u>3,607,588</u>	<u>901,677</u>

24. Related party disclosures

Transactions with related parties during the financial year are as follows:

	Group		Company	
	2024 RM	2023 RM	01.01.2024 to 31.12.2024 RM	16.05.2023 to 31.12.2023 RM
Key management personnel compensation:				
- Short-term employee benefits	1,556,339	1,236,989	180,150	0
- Defined contribution plans	162,980	125,600	0	0
	<u>1,719,319</u>	<u>1,362,589</u>	<u>180,150</u>	<u>0</u>
Dividend declared from subsidiary	0	0	4,000,000	0
Receiving of services from other related parties*	0	267,076	0	0
Rental charged by other related party**	0	5,000	0	0
Rental charged to other related party*	0	720	0	0
Subscription for preferences shares in subsidiary	<u>0</u>	<u>0</u>	<u>20,000,000</u>	<u>0</u>

* Being companies in which a director's close family members have substantial financial interests

** Being a director's close family member

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

25. Segment reporting

Group

Operating segments

Information about operating segment has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely the sourcing, distribution and production of food ingredient.

Geographical information

The Group operates principally in Malaysia throughout the financial years and generates revenue from the following geographical locations of customers:

	2024 RM	2023 RM
Malaysia	143,519,177	132,864,223
Overseas	442,938	2,127,943
	<u>143,962,115</u>	<u>134,992,166</u>

Major customers

The Group did not have any major customer that contributed 10% or more of its total revenue.

26. Contractual commitments

Group

	2024 RM	2023 RM
Acquisition of property, plant and equipment	<u>228,000</u>	<u>6,000</u>

27. Financial guarantee contracts

Company

The Company has entered into financial guarantee contracts to provide financial guarantees to financial institutions for credit facilities granted to the subsidiary up to a total limit of RM43,806,000 (2023 : NIL). The total utilisation of these credit facilities as at 31 December 2024 amounted to approximately RM16,736,000 (2023: NIL). No maturity analysis is presented for the financial guarantee contracts as the entire amount could be called at any time in the event of default by the subsidiary.

The aforementioned financial guarantee contracts should have been recognised in the statement of financial position in accordance with the recognition and measurement policies as stated in Note 2.11. After considering that the probability of the subsidiary defaulting on the credit lines is remote, the financial guarantee contracts have not been recognised as the fair values on initial recognition are not expected to be material.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

28. Financial risk management

The activities of the Group expose it to certain financial risks, including credit risk, liquidity risk, currency risk and interest rate risk. The overall financial risk management objective of the Group is to ensure that adequate financial resources are available for business development whilst minimising the potential adverse impacts of financial risks on its financial position, performance and cash flows.

The aforementioned financial risk management objective and its related policies and processes explained below have remained unchanged from the previous financial year.

Credit risk

The Group's exposure to credit risk arises mainly from receivables and deposits placed with financial institutions. The maximum credit risk exposure of these financial assets is best represented by their respective carrying amounts in the statement of financial position. The Company is also exposed to credit risk in respect of its financial guarantees provided for credit facilities granted to the subsidiary. The maximum credit risk exposure of these financial guarantees is the total utilisation of the credit facilities granted as disclosed in Note 27.

The Group manages its credit risk exposure of receivables by assessing counterparties' financial standings on an ongoing basis, setting and monitoring counterparties' limits and credit terms. The quantitative information about such credit risk exposure is disclosed in Note 8. As the Group only deals with reputable financial institutions, the credit risk associated with deposits placed with them is low.

Liquidity risk

The Group's exposure to liquidity risk relates to its ability to meet obligations associated with financial liabilities as and when they fall due. The remaining contractual maturities of financial liabilities are disclosed in their respective notes.

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities whilst maintaining sufficient cash and the availability of funding through standby credit facilities.

Currency risk

The Group's exposure to currency risk arises mainly from transactions entered into in currencies other than its functional currency, i.e. Ringgit Malaysia ("RM"). The major foreign currency transacted US Dollar ("USD") and the gross carrying amounts of foreign currency denominated monetary items at the end of the reporting period are as follows:

	Group	
	Denominated in USD	
	2024	2023
	RM	RM
Cash and cash equivalents	669,130	307,798
Payables	(8,099,218)	(9,600,779)
	<u>(7,430,088)</u>	<u>(9,292,981)</u>

The Group observes the movements in exchange rates and acts accordingly to minimise its exposure to currency risk. Where necessary, the Group enters into derivative contracts to hedge the exposure. The Group also maintains part of its cash and cash equivalents in foreign currency accounts to meet future obligations in foreign currencies.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

28. Financial risk management (Cont'd)

Currency risk (Cont'd)

Based on a symmetric basis which uses the foreign currency as a stable denominator, the following table demonstrates the sensitivity of profit or loss and equity to changes in exchange rates that were reasonably possible at the end of the reporting period, with all other variables held constant:

	Group	
	Profit/(Loss) and equity	
	2024	2023
	RM	RM
Appreciation of USD against RM by 5% (2023 : 3%)	(282,343)	(211,880)
Depreciation of USD against RM by 5% (2023 : 3%)	<u>282,343</u>	<u>211,880</u>

Interest rate risk

The Group's exposure to interest rate risk arises mainly from interest-bearing financial instruments, namely term deposits, loans and borrowings and lease liabilities.

The Group observes the movements in interest rates and always strives to obtain the most favourable rates available for new financing or during repricing. It is also the Group's policy to maintain a mix of fixed and floating rate financial instruments as follows:

	Group	
	Profit/(Loss) and equity	
	2024	2023
	RM	RM
Fixed rate instruments		
Financial assets	12,438,197	4,447,804
Financial liabilities	14,469,730	20,493,224
Floating rate instruments		
Financial liabilities	<u>5,682,598</u>	<u>6,085,829</u>

As the Group does not account for its fixed rate financial instruments at fair value through profit or loss, any change in interest rates at the end of the reporting period would not affect its profit or loss (and equity). For floating rate financial instruments measured at amortised cost, the following table demonstrates the sensitivity of profit or loss and equity to changes in interest rates that were reasonably possible at the end of the reporting period, with all other variables held constant:

	Group	
	Profit/(Loss) and equity	
	2024	2023
	RM	RM
Increase in interest rates by 0* (2023 : 10) basis points	0	(4,625)
Decrease in interest rates by 0* (2023 : 10) basis points	<u>0</u>	<u>4,625</u>

* Using standard deviation to measure interest rate volatility for the past 12 months, the Company did not foresee any reasonably possible change in interest rate at the end of the previous reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2024

29. Capital management

The overall capital management objective of the Group is to safeguard its ability to continue as a going concern so as to provide fair returns to owners and benefits to other stakeholders. In order to meet this objective, the Group always strives to maintain an optimal capital structure to reduce the cost of capital and sustain its business development.

The Group considers its total equity and total interest-bearing debts to be the key components of its capital structure and may, from time to time, adjust the dividend payouts, issue new shares, sell assets, raise or redeem debts, where necessary, to maintain an optimal capital structure. The Group monitors capital using a debt-to-equity ratio, which is calculated as total interest-bearing debts divided by total equity as follows:

	Group	
	Profit/(Loss) and equity	
	2024	2023
	RM	RM
Loans and borrowings	17,288,227	25,924,474
Lease liabilities	2,864,101	654,579
Total interest-bearing debts	20,152,328	26,579,053
Total equity	54,447,580	30,134,590
Total capital	74,599,908	56,713,643
Debt-to-equity ratio (times)	0.37	0.88

The aforementioned capital management objective, policies and processes have remained unchanged from the previous financial year.

ANALYSIS OF SHAREHOLDINGS AS AT 19 MARCH 2025

SHARE CAPITAL

Number of shares in issued	:	202,800,000
Class of Shares	:	Ordinary share
Voting Rights	:	One vote per share
Number of Shareholders	:	1,375

DISTRIBUTION OF SHAREHOLDERS

Size of Shareholdings	No. of Holders	No. of Shares	% of Shares
1 to 99	1	99	0.00
100 to 1,000	177	96,000	0.05
1,001 to 10,000	637	3,259,000	1.61
10,001 to 100,000	450	15,970,001	7.87
100,001 - 10,139,999	106	48,178,800	23.76
10,140,000 and above	4	135,296,100	66.71
Total	1,375	202,800,000	100.00

SUBSTANTIAL SHAREHOLDERS

No	Name of Shareholder	Direct No. of shares held	%	Indirect No. of shares held	%
1.	Frazel Group Sdn. Bhd. ("Frazel")	66,996,100	33.04	-	-
2.	Datuk Keh Chuan Seng	8,611,900	4.25	66,996,100 ^(a)	33.04
3.	Cheong Kai Meng	86,100	0.04	66,996,100 ^(a)	33.04
4.	Oon Boon Khong	60,858,400	30.01	470,000 ^(b)	0.23
5.	Aromi Sdn. Bhd. ("Aromi")	13,597,700	6.70	-	-
6.	Wong Pak Zen	-	-	13,597,700 ^(c)	6.70

^(a) Deemed interested by virtue of his/her shareholdings in Frazel pursuant to Section 8(4) of the Companies Act 2016.

^(b) Deemed interested by virtue of his spouse's (Ng Pei Jin) shareholding, who is the Logistics Manager of Agricore CS Sdn. Bhd.

^(c) Deemed interested by virtue of his shareholdings in Aromi pursuant to Section 8(4) of the Companies Act 2016.

DIRECTORS' SHAREHOLDING

No	Name of Director	Direct No. of shares held	%	Indirect No. of shares held	%
1.	Oon Boon Khong	60,858,400	30.01	470,000 ^(b)	0.02
2.	Fu Yew Sun	100,000	0.05	-	-
3.	Koay Hooi Lynn	49,400	0.02	-	-
4.	Teh Boon Beng	-	-	-	-
5.	Lee Seow Ling	-	-	-	-
6.	Datuk Keh Chuan Seng (resigned w.e.f. 22 March 2025)	8,611,900	4.25	66,996,100 ^(a)	33.04

^(a) Deemed interested by virtue of his shareholdings in Frazel pursuant to Section 8(4) of the Companies Act 2016.

^(b) Deemed interested by virtue of his spouse's (Ng Pei Jin) shareholding, who is the Logistics Manager of Agricore CS Sdn. Bhd.

ANALYSIS OF SHAREHOLDINGS AS AT 19 MARCH 2025 (CONT'D)

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS

NO	NAME	SHAREHOLDINGS	%
1	Frazel Group Sdn. Bhd.	60,840,000	30.00
2	Oon Boon Khong	45,858,400	22.61
3	RHB Nominees (Tempatan) Sdn Bhd Qualifier: Pledged securities account for Oon Boon Khong	15,000,000	7.40
4	Aromi Sdn. Bhd.	13,597,700	6.70
5	Alliancegroup Nominees (Tempatan) Sdn Bhd Qualifier: Pledged securities account for Keh Chuan Seng (7013548)	8,611,900	4.25
6	Amsec Nominees (Tempatan) Sdn Bhd Qualifier: Pledged securities account - Ambank (M) Berhad for Frazel Group Sdn Bhd	6,156,100	3.04
7	Law Book Ching	1,367,800	0.67
8	Liew Pit Phen	1,270,000	0.63
9	Leong Yuet May	1,130,000	0.56
10	Lim Hock Yean	1,013,700	0.50
11	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Qualifier: Pledged securities account for Poh Chu Tan (Penang-CI)	1,000,000	0.49
12	Ng Ching Kong	855,500	0.42
13	Chia Y Liang	800,900	0.39
14	Maybank Nominees (Tempatan) Sdn Bhd Qualifier: Pledged securities account for Ho Kong Min	800,000	0.39
15	Sin Chuan Bean Sprout Sdn. Bhd.	800,000	0.39
16	Alliancegroup Nominees (Tempatan) Sdn Bhd Qualifier: William Yong (3020714)	791,000	0.39
17	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Qualifier: Pledged securities account for Ng Shyh Chyuh (MF00187)	781,000	0.39
18	Gim Kang Timber Sdn. Bhd.	700,000	0.35
19	Public Nominees (Tempatan) Sdn Bhd Qualifier: Pledged securities account for Tiong Lee Chian (E-TSA/TPG)	600,000	0.30
20	Maybank Nominees (Tempatan) Sdn Bhd Qualifier: Pledged securities account for Yap Keat Choong	562,000	0.28
21	Siew Chean Ming	547,000	0.27
22	Public Nominees (Tempatan) Sdn Bhd Qualifier: Pledged securities account For Fong Ming Sang (E-SDK)	524,000	0.26
23	Loh Siak Meng	520,000	0.26
24	Lim Swee Chuan	500,000	0.25
25	Ng Eng Keong	500,000	0.25
26	Public Nominees (Tempatan) Sdn Bhd Qualifier: Pledged securities account for Tee Yew Soon (E-JBU)	500,000	0.25
27	TA Nominees (Tempatan) Sdn Bhd Qualifier: Pledged securities account for Tan Hwa Sing	487,900	0.24
28	Ng Pei Jin	470,000	0.23
29	Sunning Capital Sdn Bhd	470,000	0.23
30	Chew Swee Thong	420,000	0.21

LIST OF PROPERTIES

No.	Property Address / Title Details	Description of Property / Existing use	Tenure / Expiry of Lease	Approx. Land Area / Built-up Area (sq ft)	Date of Acquisition	Approx. Age (years)	Audited Net Book Value as at 31 December 2024 (RM'000)
1	1173, Jalan Perindustrian Bukit Minyak 2, Kawasan Perindustrian Bukit Minyak, 14100 Bukit Mertajam, Pulau Pinang PN 10910, Lot 20172, Mukim 13, Seberang Perai Tengah, Pulau Pinang	Double storey office, 3 units of single storey factory and one double storey factory / Office, warehouse and factory	Leasehold for 60 years / Expiring on 5 July 2072	115,852 / 77,514	10 August 2011	13	9,285

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2nd Annual General Meeting of the Company will be held at Iconic 1, Level 7, The Iconic Hotel, 71, Jalan Icon City, Icon City, 14000 Bukit Mertajam, Pulau Pinang on Thursday, 22 May 2025 at 11:00 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements of the Company for the year ended 31 December 2024 together with the Reports of the Directors and of the Auditors thereon. *(Please refer to Note A)*
2. To approve the Directors' Fee of up to RM136,000/- for the period from 1 June 2025 until the next Annual General Meeting ("AGM") of the Company and payment of such Fee to the Non-Executive Directors. *(Resolution 1) (Please refer to Note B)*
3. To approve the other benefits (excluding Directors' Fee) payable to Non-Executive Directors of up to RM11,750/- for the period from 1 June 2025 until the next AGM of the Company. *(Resolution 2)*
4. To re-elect the following Directors retiring under Paragraph 102(1) of the Constitution of the Company and who, being eligible offer themselves for re-election:- *(Please refer to Note C)*
 - a. Mr. Oon Boon Khong *(Resolution 3)*
 - b. Ms. Koay Hooi Lynn *(Resolution 4)*
5. To appoint Auditors of the Company for the ensuing year and to authorize the Directors to fix their remuneration:- *(Resolution 5)*

Notice of Nomination pursuant to Section 271(1) of the Companies Act 2016, a copy of which is annexed hereto and marked "Annexure A" has been received by the Company for the nomination of Messrs. TGS TW PLT for appointment as Auditors of the Company in place of the retiring Auditors, Messrs. Crowe Malaysia PLT and of the intention to move the following motion to be passed as an Ordinary Resolution:-

"THAT Messrs. TGS TW PLT be and are hereby appointed Auditors of the Company in place of the retiring Auditors, Messrs. Crowe Malaysia PLT to hold office until the conclusion of the next Annual General Meeting AND THAT authority be and is hereby given for the Directors to determine their remuneration."

Special businesses

6. To consider and if thought fit, to pass the following resolution:-

Ordinary resolution

- a. Authority to issue shares *(Resolution 6)*
 "That pursuant to Companies Act 2016 ("the Act") and approvals from the Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant governmental/ regulatory authorities where such authority shall be necessary, the Board of Directors be authorised to issue and allot shares in the Company from time to time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Board of Directors may, in its absolute discretion, deems fit provided that the aggregate number of shares to be issued shall not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being, and that the Board of Directors be empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Securities." *(Please refer to Note D)*
7. To transact any other business of which due notice shall have been given in accordance with the Act.

By Order of the Board

HOW WEE LING MAICSA 7033850 / SSM PC NO. 202008000869

OOI EAN HOON MAICSA 7057078 / SSM PC NO. 202008000734

Secretaries

Penang

23 April 2025

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Proxy:-

- a) *For the purpose of determining a member who shall be entitled to attend and vote at this 2nd AGM, the Company shall be requesting the Record of Depositors as at 16 May 2025. Only a depositor whose name appears on the Record of Depositors as at 16 May 2025 shall be entitled to attend, speak and vote at the said meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.*
- b) *A member of the Company (Except an Exempt Authorised Nominee) shall be entitled to appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) or more proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
- c) *Where a member of the Company is an Exempt Authorised Nominee which holds Ordinary Shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*
- d) *The instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor. In the case of a corporate member, the instrument appointing a proxy shall be either under its common seal or under the hand of its officer or attorney duly authorised.*
- e) *The instrument appointing a proxy must be deposited at the office of the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or the proxy form can be electronically lodged with the Share Registrar of the Company via TIH Online website at <https://tiih.online>. All proxy forms submitted must be received by the Share Registrar of the Company not less than twenty-four (24) hours before the time set for holding the 2nd AGM (i.e. by Wednesday, 21 May 2025 at 11.00 a.m.) or any adjournments thereof.*

Explanatory note on Ordinary and Special Business:-

- A. This Agenda item 1 is meant for discussion only as the provision of Section 340(1)(a) of the Act and the Company's Constitution do not require a formal approval of the shareholders and hence, is not put forward for voting.
- B. The Ordinary Resolution 1 is to facilitate payment of Directors' fees for the period from 1 June 2025 until the next AGM. The Directors' Fee of up to RM136,000 was calculated with 13-month provision, based on RM2,500 per director per month (June 2025 to December 2025) and RM2,750 per director per month (January 2026 to June 2026).
- C. The Board through the Nomination Committee had undertaken an annual assessment on the Directors. Mr. Oon Boon Khong (Managing Director / CEO) and Ms. Koay Hooi Lynn (Independent Non-Executive Director) whom are seeking for re-election pursuant to Paragraph 102 (1) of the Company's Constitution, at the 2nd AGM. Ms. Koay Hooi Lynn has also provided her annual declaration/confirmation of independence accordingly.

The Board and the Nomination Committee are satisfied with their performance assessment i.e. meeting attendances, participated actively and contributed positively during deliberations or discussions at Board Meetings, competency and capability, understanding of their roles and responsibilities. Thus, the Board recommended that the approval of the shareholders be sought for the re-election of the said Directors at the 2nd AGM. The information of the Directors' standing for re-election is set out in "Profile of Directors" of the Annual Report 2024.

- D. The proposed Resolution No. 6 [Item 6 (a)], if passed, will grant a new general mandate (Mandate 2025) and empower the Directors of the Company to issue and allot shares up to an amount not exceeding in total ten per centum (10%) of total number of issued shares of the Company from time to time and for such purposes as the Directors consider would be in the interest of the Company. In order to avoid any delay and costs involved in convening a general meeting, it is thus appropriate to seek shareholders' approval. This authority will, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

The Mandate 2025 will provide flexibility to the Company for allotment of shares for any possible fund raising activities, including but not limited for further placing of shares, for the purpose of funding future investment(s), acquisition(s) and/or working capital.

NOTES:

- i. *Shareholders may send questions in relation to the agenda items for the 2nd AGM, electronically by email to corporate@agricore.com.my no later than Wednesday, 21 May 2025 at 11.00 a.m..*
- ii. *To enable the Company to make the necessary arrangement on the 2nd AGM day, attendees who wish to attend the 2nd AGM in person are encouraged to pre-register attendance by providing the following Pre-Registration details by email to corporate@agricore.com.my by Wednesday, 21 May 2025 at 11.00 a.m..*
 - *Company Name: Agricore CS Holdings Berhad*
 - *Full name:*
 - *NRIC / Passport No.:*
 - *CDS Account No.:*
 - *Contact No.:*
 - *Category of Attendees.: Shareholder / Proxy / Invitee*
- iii. *Shareholders are also reminded to monitor the Company's website and announcements from time to time for any changes to the 2nd AGM arrangement.*

“ANNEXURE A”

Oon Boon Khong
No. 2, Lorong Alma Indah 14,
Taman Alma Indah,
14000 Bukit Mertajam,
Pulau Pinang, Malaysia

Date: 27 March 2025

The Board of Directors
AGRICORE CS HOLDINGS BERHAD
57-G Persiaran Bayan Indah,
Bayan Bay, Sungai Nibong,
11900 Bayan Lepas, Pulau Pinang

Dear Sirs,

NOTICE OF NOMINATION OF MESSRS. TGS TW PLT AS AUDITORS

I, Oon Boon Khong, being a shareholder of the Company, hereby give notice, pursuant to Section 271(1) of the Companies Act 2016 of our nomination of Messrs. TGS TW PLT of Suite 12-01, 12th Floor, Menara Penang Garden No.42A, Jalan Sultan Ahmad Shah, 10050 George Town, Penang as Auditors of the Company.

Thank you.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Oon Boon Khong', with a stylized flourish at the end.

Oon Boon Khong

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

- Pursuant to Paragraph 8.29(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad

1. Details of individuals who are standing for election as directors (excluding directors standing for a re-election)

No individual is seeking election as a director at the 2nd AGM of the Company.

2. Statement relating to general mandate for issue of securities in accordance with Paragraph 6.04(3) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad

Details of the general mandate to issue securities in the Company pursuant to the Companies Act 2016 are set out in Explanatory Note (D) of the Notice of 2nd AGM.

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PROXY FORM



AGRICORE CS HOLDINGS BERHAD
Registration No. 202301018008 (1511930-P)
(Incorporated in Malaysia)

No. of Ordinary Shares held		CDS Account No.	
Contact No.		Email Address	

*I/We _____ (*NRIC No./ Company No. _____) of _____

being a *Member/Members of AGRICORE CS HOLDINGS BERHAD hereby appoint:-

☐ The following proxy(ies):-

Name	NRIC / Passport No.	Address	Proportions of my/our holdings to be represented (%)
(1)			
AND * / OR FAILING HIM*,			
(2)			
Total			100.0%

In case of show of hands, Proxy 1 / Proxy 2* shall vote on our behalf*

AND * / OR FAILING HIM*,

☐ Chairman of the Meeting

as *my/our proxy to vote for *me/us and on *my/our behalf at the 2nd Annual General Meeting of the Company to be held at Iconic 1, Level 7, The Iconic Hotel, 71, Jalan Icon City, Icon City, 14000 Bukit Mertajam, Pulau Pinang on Thursday, 22 May 2025 at 11.00 a.m. and at any adjournment thereof as indicated below:-

☐ Tick (✓) whichever is applicable

* Strike out whichever is inapplicable

(Please indicate with an "X" in the space provided below on how you wish your vote to be casted. If you do not do so, the proxy will vote or abstain from voting at his/her discretion)

RESOLUTIONS	FOR	AGAINST
1. To approve the Directors' Fee of up to RM136,000/- for the period from 1 June 2025 until the next Annual General Meeting ("AGM") of the Company and payment of such Fee to the Non-Executive Directors.		
2. To approve the other benefits (excluding Directors' Fee) payable to Non-Executive Directors of up to RM11,750/- for the period from 1 June 2025 until the next AGM of the Company.		
To re-elect the following Directors retiring under Paragraph 102 (1) of the Constitution of the Company and who, being eligible offer themselves for re-election:-		
3. Mr. Oon Boon Khong		
4. Ms. Koay Hooi Lynn		
5. To appoint Messrs. TGS TW PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
To pass the following resolutions as special businesses:-		
Ordinary resolution		
6. Authority to issue shares.		

Signature of Shareholder(s) _____

Signed this _____ day of _____ 2025

Notes:-

For the purpose of determining a member who shall be entitled to attend and vote at this 2nd AGM, the Company shall be requesting the Record of Depositors as at 16 May 2025. Only a depositor whose name appears on the Record of Depositors as at 16 May 2025 shall be entitled to attend, speak and vote at the said meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.

Proxy:-

- A member of the Company (Except an Exempt Authorised Nominee) shall be entitled to appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) or more proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- Where a member of the Company is an Exempt Authorised Nominee which holds Ordinary Shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

- The instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
- The instrument appointing a proxy must be deposited at the office of the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or the proxy form can be electronically lodged with the Share Registrar of the Company via TIH Online website at <https://ti.h.online>. All proxy forms submitted must be received by the Share Registrar of the Company not less than not less than twenty-four (24) hours before the time set for holding the 2nd AGM (i.e. by Wednesday, 21 May 2025 at 11.00 a.m.) or any adjournments thereof.

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THE SHARE REGISTRAR
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, Malaysia

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AGRICORE CS HOLDINGS BERHAD

(202301018008 (1511930-P))
(Incorporated in Malaysia)

1173, Jalan Perindustrian Bukit Minyak 2,
Kawasan Perindustrian Bukit Minyak,
14100 Bukit Mertajam, Pulau Pinang.

Tel : +604 - 505 7766
Fax : +604 - 505 7799
Email : corporate@agricore.com.my

www.agricore.com.my

