

KEY MATTERS RAISED – 30TH ANNUAL GENERAL MEETING

Q1 : Three shareholders enquired the strongest competitor which is currently facing by the Company and the Company's plan to stay competitive.

A1 : *Dato' Eddie Ong replied that the main domestic competitor is Kenso. There are also other MNC companies such as Corteva, BASF, Bayer & Syngenta. He added that the Company has a strong procurement and operations team, a GLP certified lab as well as a strong R&D team.*

In order to stay competitive, the Company has been increasing efforts in growing its market share by improving its product quality, competitive prices, providing technical support to its customers, giving training on Weed Management, Pest and Diseases Management as well as the Company's product technical team solves problems in a timely manner and pays attention to details.

Q2 : A shareholder enquired the most serious mistake and the most successful task made by the Company last year.

A2 : *Dato' Eddie Ong replied that the Company had achieved historically outstanding performance last year against the backdrop of the COVID-19 pandemic as the Company's businesses are principally involved in supplying agricultural and hygiene products which are fall under essential businesses.*

He added that prior to the implementation of the first Movement Control Order ("MCO") last year, the Company had secured sufficient inventories to operate fully without disruption.

In addition, the Company had made a provision of doubtful debts amounted to RM1.6 million due to long outstanding debts in the third quarter, and had subsequently collected the said outstanding amount and made a reversal in the fourth quarter of 2020.

Q3 : A shareholder raised his concern on the direction of the Company intends to head towards.

A3 : *Dato' Eddie Ong responded that the Company is optimistic on its outlook underpinned by the existing business areas. The Company will continue to invest in the business to accelerate growth to increase its recurring income base. The Company will be looking into more mergers and acquisitions that provides further growth and increases its bottom line.*

Q4 : A shareholder raised his concern as to whether the Company's operations were affected by MCO 3.0 imposed by the Government.

A4 : *Dato' Eddie Ong replied that the Company had done significantly well for the first half year as its businesses are considered as essential businesses during the MCO period. The Company's performance in 2020 had demonstrated its strength and dedicated team can perform well during this challenging environment.*

Dato' Eddie Ong stated that the raw material prices are increasing, so it will have

a slight impact on the Company's bottom line. Nevertheless, the Company has taken and will continue to take the necessary actions to safeguard and maintain its financial position, focusing on liquidity management to meet its ongoing financial commitments and liquidity needs.

Q5 : A shareholder asked what keeps the Chief Executive Officer of the Company awake at night.

A5 : *Dato' Eddie Ong replied that the management is pleased with the Company's great achievements in monthly, quarterly and yearly performances. At the same time, the Company realised that good sleep is important to health, and it also improves management's concentration and productivity, thus enabling the Company to achieve greater success.*

Q6 : Shareholders asked when the Company will announce bonus issue entitlement date and whether the profit margin for agricultural products is able to sustain during the pandemic.

A6 : *Dato' Eddie Ong replied that the Company had, on 19 May 2021, obtained Bursa's approval and clearance in relation to the Company's proposed bonus issue, proposed acquisition and proposed diversification of business. The said corporate exercises are subject to shareholders' approval at the Extraordinary General Meeting scheduled to be held on 14 June 2021. Barring unforeseen circumstances, the bonus issue and proposed acquisition are targeted to be completed by the second quarter in 2021.*

He added that despite the current pandemic, the Company had reported outstanding results quarterly and the Company had performed better than the market's expectation. Therefore, the Management is optimistic that the Company can achieve sustainable profitability.

Q7 : A shareholder enquired whether the Company has finalised several mergers and acquisitions in 2020, and whether the Company will continue to pursue mergers and acquisitions for growth in the current year. How many mergers and acquisition the Company aims to complete for the year and the estimated funds, if any, for such mergers and acquisitions.

A7 : *Dato' Eddie Ong replied that the Company is looking for more mergers and acquisitions going forward. He explained that the Company had acquired Biogas Engineering Sdn Bhd last year. The Company has proposed to acquire Chempro Technology (M) Sdn Bhd in which the proposal would be tabled at the Extraordinary General Meeting on 14 June 2021 for shareholders' approval. Besides, the Company will seek other acquisitions and has several good goals.*

Dato' Eddie Ong replied that the Company does not have any estimates to be allocated for mergers & acquisitions. However, he clarified that the Company has sufficient financial support and is based on the Company's strong and profitable businesses as its fundamental businesses.

- Q8 : Shareholder expressed concern about the Company's revenue and profit growth projection for 2021.
- A8 : *Dato' Eddie Ong replied that with the acquisition in place, the Company believes that there will be more than twenty percent growth in 2021, and that the main driver of such growth will come from the Company's organic growth as well as the newly acquired companies.*
- Q9 : Shareholder requested the Company to update the production of machines or drones for plantation use.
- A9 : *Dato' Eddie Ong explained that the Company's subsidiary, Hextar IOT Sdn Bhd, has not progressed as fast as expected due to multiple lockdowns caused by the pandemic, and it has slowed the 5G project in Malaysia. The Company is currently looking to revive the business once the pandemic is stabilised.*
- Q10 : Shareholders enquired the Company what its competitors did not do. Besides, what products does the Company have in its pipelines that can continue its growth.
- A10 : *Dato' Eddie Ong replied that the Company has registered approximately more than 500 chemicals products compared to its competitors. In order to obtain a product registered in Malaysia, the Company requires to spend a lot of time in the research and development as well as the registration process. He explained that with the Company's huge product portfolio, this is a big advantage of the Company over its competitors.*