

## Camaroe Berhad (CAMAROE)

### Farming For The Future

- **Started since 2009, Camaroe Bhd is a Malaysian aquaculture company specialising in the farming and processing of black tiger prawns, primarily for export markets. The group operates coastal farms in Selangor, Pahang, and Terengganu, with downstream processing carried out at its Kapar Processing Facility in Selangor.**
- **We project 3-year earnings CAGR of 0.3%, with core PAT anticipated to reach RM7.6m-RM8.2m over the next three years. This growth is underpinned by (i) the increasing ASP due to sustainable demand from China and (ii) better pond efficiency following the formation of its own biomedical department.**
- **We assign a fair value of RM0.17 per share for CAMAROE, indicating a 21.4% upside from the IPO price of RM0.14. This valuation is based on a PE multiple of 11.0x pegged to mid-FY26f EPS of 1.56 sen.**

### Investment highlights

**Full supply chain control to ensure consistent supply and healthy margins.** CAMAROE operates a vertically integrated model spanning prawn farming and downstream processing, giving the group end-to-end control over its production. This allows it to maintain consistent year-round supply, reduce reliance on third-party sources, and price products competitively while protecting margins. Inventory is supported by cold storage facilities to manage seasonal and unexpected demand fluctuations. As of FY24, the group has a double-digit PAT margin of 20.3%.

**Established export-driven B2B model with China as the main focus.** Since 2009, CAMAROE has grown from a farming-focused business to a fully integrated aquaculture player, operating 149 ponds across three states and a processing facility in Selangor. Its customer base consists of seafood wholesalers across multiple Asia-Pacific markets, namely China, South Korea and Taiwan, with export sales contributing more than 70% of revenue in FY24. According to the management, China will still be the primary focus moving forward. By supplying large B2B customers, it enables the group to enjoy economies of scale and reduces reliance on the domestic market.

**Compliance with local and international quality standards.** CAMAROE's farming practices adhere to Malaysian Standard for Good Aquaculture Practice (myGAP), while its processing operations are certified under MOH's GMP, MeSTI, and HACCP, as well as the Fisheries (Quality Control of fish for export to the EU). In March 2025, the group also obtained a Certificate of Conformity for NSF Antibiotic-Free Product. These certifications enhance customer confidence, ensure food safety, and strengthen the group's competitive positioning in premium prawn markets.

**More ponds, more revenue.** The group recorded a 17.4% YoY increase in revenue, increasing from RM33.9m in FY23 to RM39.8m in FY24, supported by the expansion of ponds from 138 to 149 during the corresponding period. The ability to translate the increase in pond into higher sales demonstrates the business's strong scalability nature, whereby if there are further pond additions moving forward, it is expected to lead into a higher top-line. We expect the group to increase its number of ponds along the years while waiting for its new processing facility to start for operations around 1Q29, as the whole process of forming a pond to raising black tiger prawns takes 2–3 years, and the increase in production capacity following the completion of its new processing facility will allow the group to export more in the future.

**Market share reflects overseas export focus.** CAMAROE's market share for overseas sales of black tiger prawns in Malaysia was 25.83%, computed based on its revenue

IPO Note – Not rated

Kieran Lim  
[kieranlim@msec.com.my](mailto:kieranlim@msec.com.my)  
(603) 2201 2100

### Non-Rated

Share price	RM0.14
Target price	RM0.17
Previous TP	-
Capital upside	21.4%
Dividend return	-
Total return	21.4%

### Company profile

Started since 2009, Camaroe Berhad is primarily involved in the farming and processing of black tiger prawns.

### Stock information

Bursa Code	0371
Bloomberg ticker	CAMAROE MK
Listing market	ACE
Share issued (m)	495.0
Market Cap (m)	69.3
Shariah compliant	YES
MITI allocation	YES

### Major shareholders

	%
Teoh Han Boon	35.4
Low Saw Cheng	28.8
Teoh Kheng Huat	6.1

### Earnings snapshot

FYE (Dec)	FY24	FY25f	FY26f
PATMI (m)	8.1	7.6	7.9
EPS (sen)	1.6	1.5	1.6
P/E (x)	8.6	9.1	8.8

### Timetable of IPO

Opening of application	29 August
Closing of application	12 September
Balloting of application	18 September
Allotment of the IPO shares	26 September
Listing on the ACE market	2 October



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generated from overseas market for FY24 amounting to RM30.28m and the total export value of black tiger prawns in Malaysia amounting to RM117.25m in 2024. In terms of domestic sales of black tiger prawns in Malaysia, CAMAROE captured a market share of merely 1.39%, computed based on its revenue generated from sales in Malaysia in FY24 amounting to RM9.55m and the wholesale value of black tiger prawns in Malaysia recorded at RM686.88m in 2024. This further reiterates the group's focus on overseas export rather than the domestic market.

### Company background

Started since 2009, Camaroe Berhad is an integrated aquaculture company specialising in (i) farming of prawns and (ii) processing and sale of black tiger prawns. The group focuses on cultivating premium black tiger prawns across coastal farms in Selangor, Pahang, and Terengganu, with harvests primarily supplied to export markets under its customers' brand names.

Its farming operations utilise direct filtered seawater intake from the Straits of Malacca and the South China Sea to support optimal aquaculture conditions. Downstream, harvested prawns are processed at the group's Kapar Processing Facility in Selangor, which houses cold storage, processing lines and distribution infrastructure. Products are exported in frozen formats, including both head-on shell-on and headless peeled prawns.

CAMAROE's vertically integrated operations, from farming to processing, enable greater control over quality and supply, positioning the group as a competitive Malaysian exporter in the premium prawn aquaculture industry.

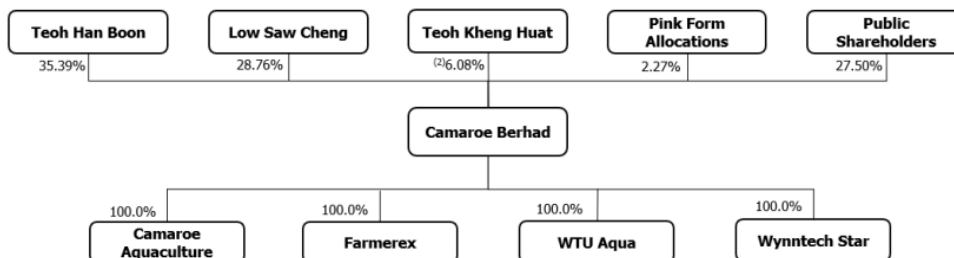
**Fig #1 Revenue of each business segment**



(1) During FY21 and FY22, CAMAROE farmed and supplied live vannamei shrimp. However, since FY22, the group ceased farming of vannamei shrimp and gradually shifted its focus exclusively to farming of black tiger prawns.

Source: Camaroe Berhad

**Fig #2 Post-IPO shareholding structure**



Source: Camaroe Berhad



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### Substantial Shareholders & Key Senior Management

#### 1. Teoh Han Boon – Managing Director

Mr. Teoh, aged 53, is the Promoter, substantial shareholder and Managing Director. He holds a B.Sc. (Hons) in Marine Science from Universiti Kebangsaan Malaysia and has over 28 years’ experience in aquaculture. He co-founded Camaroe in 2009 and has since led its farming, processing, and international expansion, driving overall strategy, growth, and risk management.

#### 2. Low Saw Cheng – Executive Director

Ms. Low, aged 53, is the Executive Director. She holds a Diploma in Computer Science from INTEC Education College and has over 20 years’ experience in finance, HR and administration. As co-founder of Camaroe in 2009, she oversees finance, corporate administration and compliance across the group and its subsidiaries.

#### 3. Tee Wei Zun – Sales Manager

Mr. Tee, aged 29, is the Sales Manager. He holds a Bachelor of Business (International Business) (Hons) from HELP University. Joining the group in 2021, he now leads sales strategy, digital marketing, pricing and customer engagement, focusing on business growth and new market opportunities

#### 4. Chua Lee Fei – Financial Controller

Ms. Chua, aged 34, is the Financial Controller. She holds a BA (Hons) in Accounting & Finance from University of Greenwich and is a member of ACCA, MIA and ACPACC. She has over 8 years of experience in audit, accounting, and financial management, and currently oversees financial reporting, budgeting, and compliance.

#### 5. Kor Sin Loong – Farm Manager cum Deputy Sales Manager

Mr. Kor, aged 49, is the Farm Manager cum Deputy Sales Manager. He holds a Diploma in Electronic Engineering from Linton College and has over 20 years’ experience in prawn farming operations. Since joining the group in 2017, he manages daily farm operations and supports the sales division.

**Fig #3 Corporate milestones**

Year	Milestones
2009	<ul style="list-style-type: none"> <li>Incorporation of Camaroe Aquaculture</li> <li>Acquired a piece of land in Tanjung Karang, Kuala Selangor (approximately 1.29m sqft), for the development of CAMAROE’s first prawn farm, Tanjung Karang Farm 1 with 4 ponds.</li> </ul>
2016	<ul style="list-style-type: none"> <li>Acquired a factory (approximately 9,000 sqft) located in Kapar, Klang, Selangor, with the intention to house its HQ and set up its prawn processing lines. The factory remains the location of its office to-date.</li> </ul>
2019	<ul style="list-style-type: none"> <li>Expanded its cold room space for prawn processing activities and completed the establishment of prawn processing facility, namely Kapar Processing Facility.</li> </ul>
2024	<ul style="list-style-type: none"> <li>Acquired a piece of land (approximately 160,000 sqft) located in Bandar Bukit Raja 3 Industrial Park in Klang, Selangor, for the construction of New Bukit Raja Processing Facility, with the expectation of complete construction by 1Q29.</li> </ul>
2025	<ul style="list-style-type: none"> <li>Obtained a Certificate of Conformity for NSF AntibioticFree Product, an internationally recognised certification from NSF Shanghai Co. Ltd for the raising of black tiger prawns as well as the processing of frozen black tiger prawns at Kapar Processing Facility.</li> </ul>

Source: Camaroe Berhad



### Fig #4 Utilisation of proceeds

Use of proceeds	RM'm	%	Estimated time frame
Construction of New Bukit Raja Processing Facility	6.9	49.7	Within 48 months
Purchase of machinery and equipment	0.7	5.2	Within 48 months
Installation of solar panels	0.4	2.8	Within 48 months
Establishment of a biotechnology department	1.0	7.2	Within 12 months
General working capital	1.0	6.9	Within 12 months
Estimated listing expenses	3.9	28.1	Within 1 month
<b>Total</b>	<b>13.9</b>	<b>100.0</b>	

Source: Camaroe Berhad

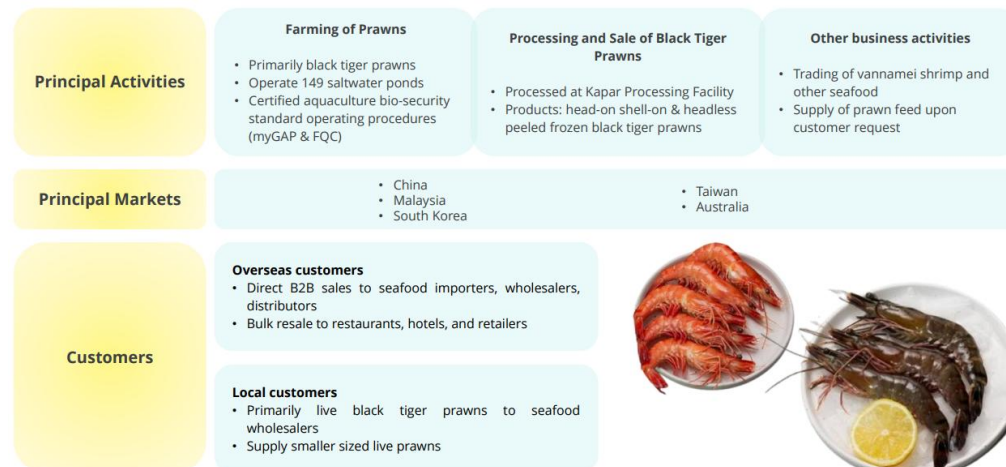
## Business overview

**Prawn Farming.** The group is primarily engaged in the aquaculture of black tiger prawns, cultivated at coastal farms located along Selangor, Pahang and Terengganu. Water intake for these farms is sourced directly from the sea to ensure optimal growing conditions. While vannamei shrimps and smaller-sized black tiger prawns have been supplied to customers in the past, the group's current farming operations are focused solely on black tiger prawns. The harvests are sold primarily to export customers, with smaller batch allocations occasionally distributed to local buyers.

**Processing and Sale of Black Tiger Prawns.** Post-harvest, prawns are processed at the group's Kapar Processing Facility, with a total built-up area of 26,095 sqft, including a 5,004 sqft cold room. The facility comprises office space, processing lines, storage, and a loading bay, supporting integrated processing and distribution activities. The group supplies its products in two main formats, namely (i) frozen black tiger prawns (head-on, shell-on) and (ii) frozen black tiger prawns (headless, peeled), primarily under customers' brand names for export markets. This segment positions the group within the downstream value chain, ensuring product readiness for international distribution.

**Others.** As a complementary service to customers, the group occasionally sources and supplies vannamei shrimps, other seafood, and prawn feed upon request. These traded products are procured directly from third-party suppliers without maintaining any inventory. The group has ceased supplying vannamei shrimps farmed internally since FY22, with recent activities limited to ad-hoc trading support alongside its core black tiger prawn operations.

### Fig #5 Principal business activities and services provided



Source: Camaroe Berhad



**Fig #6 SWOT analysis of CAMAROE**

Strength	Weakness
<ul style="list-style-type: none"> <li>• Full supply chain control for quality ensurance</li> <li>• Strong certifications base like MyGAP, Fish Quality, HACCP, GMP, MeSTI and also recent's Certificate of Conformity for NSF Antibiotic-Free Product</li> <li>• Higher margins compared to its peers</li> <li>• Experienced management team</li> </ul>	<ul style="list-style-type: none"> <li>• Takes longer time to yield due to its business nature (2 times a year)</li> <li>• Scaling limitations due to land and ponds availability</li> <li>• Only one processing facility for now</li> </ul>
Opportunity	Threat
<ul style="list-style-type: none"> <li>• Capacity expansion via the New Bukit Raja Processing Facility</li> <li>• Biotechnology initiatives (probiotics, R&amp;D) to improve survival rates, yields, and cost efficiency</li> <li>• Continuous focus on China due to growing demand</li> </ul>	<ul style="list-style-type: none"> <li>• Disease outbreaks in aquaculture ponds that may disrupt production</li> <li>• Exposure to export market risks, including currency fluctuations and changing trade regulations</li> <li>• Climate change risks might impact pond productivity</li> </ul>

Source: M+ Research

## Financials

**Revenue and income highlights.** The group reported a RM5.9m or 17.4% YoY growth in revenue, increasing from RM33.9m in FY23 to RM39.8m in FY24, which was contributed by the sale of both frozen black tiger prawns and live prawns.

- (i) Sales of the frozen black tiger prawns rose by RM2.3m or 7.8% from RM29.8m in FY23 to RM32.1m in FY24. The increase was mainly attributable to the increase in sales from South Korean and Malaysian customers.
- (ii) Meanwhile, revenue from the sales of live prawns also increased by RM3.6m or 88.3%, from RM4.1m in FY23 to RM7.7m in FY24, mainly due to higher sales order from major customers like Dragon Ocean Fishery and Pantai Seafood Supply.

Despite the increase in revenue, PAT saw a decrease of RM3.6m or 31.0%, from RM11.7m to RM8.1m due to the increase in cost of sales, other expenses and absence of tax allowance. For FPE25, the group recorded a decrease in revenue from RM11.6m in 1Q24 to RM8.2m in 1Q25, mainly due to higher deliverables back in 4Q24 ahead of Chinese New Year, while PAT increased from RM0.4m to RM0.6m due to lower income tax expense.

**Balance sheet.** The group held a total asset of RM48.7m in FPE25, a slight decrease of RM0.9m or 1.9% from RM49.6m in FY24, primarily due to the decrease in biological assets. Meanwhile, the total liabilities also decreased simultaneously, from RM22.2m in FY24 to RM20.7m in FPE25, attributed to the reduction in trade and other payables and accruals. Meanwhile, the total equity of the group also grew from RM27.4m to RM28.0m. This group is in a gearing position of 0.52 times prior to the listing.

**Cash flow.** Despite the decrease in PBT, the group recorded a higher net cash from operations, increasing from RM2.6m in FY23 to RM8.8m in FY24, mainly attributed to the decrease in inventories and increase in trade and other payables. Net cash used in investing activities decreased from a net outflow of RM1.9m in FY23 to a net outflow of RM1.4m in FY24, attributed to lower purchase of property, plant and equipment. Lastly, cash flow used in financing activities recorded a surge from an outflow of RM1.7m in FY23 to an outflow of RM8.0m in FY24, caused by higher dividends paid,



repayment of term loans and repayment to a director. Meanwhile, for FPE25, the group continued to show healthy net cash flow, with a net increase of RM0.3m in cash and cash equivalents.

**Earnings forecasts.** Moving forward, we project a 3-year earnings CAGR of 0.3%, with core PATMI expected to reach RM7.6m, RM7.9m, and RM8.2m over the next three years, largely supported by (i) the increasing ASP due to sustainable demand from China and (ii) better pond efficiency following the formation of its own biomedical department.

### Fig #7 Financial Highlights

FYE Dec (RM m)	FY23	FY24	FY25f	FY26f	FY27f
Revenue	33.9	39.8	38.9	40.0	41.2
EBITDA	14.5	12.4	12.5	13.0	13.6
EBIT	12.9	10.8	10.4	10.8	11.2
PBT	12.7	10.6	10.0	10.4	10.7
PAT	11.7	8.1	7.6	7.9	8.2
PATMI – Core	11.7	8.1	7.6	7.9	8.2
PATMI – Reported	7.8	7.7	7.6	7.9	8.2
% change YoY – Core PATMI	38%	-31%	-6%	4%	4%
Core EPS (sen)	2.4	1.6	1.5	1.6	1.6
P/E (x)	5.9	8.6	9.1	8.8	8.5
EV/EBITDA (x)	3.5	4.1	4.1	3.9	3.8
DPS (sen)	0.2	2.0	-	-	-
Yield (%)	2%	14%	0%	0%	0%
BVPS (RM/share)	0.0	0.1	0.1	0.1	0.1
P/B (x)	3.1	2.5	1.4	1.2	1.1
ROE (%)	60%	33%	20%	15%	14%
Net Gearing (%)	0.0	0.4	CASH	CASH	CASH

M+ Research

### Valuations

**We assign a fair value of RM0.17 per share for CAMAROE, representing a 21.4% upside from its IPO price of RM0.14.** This valuation is based on a P/E ratio of 11.0x, pegged to the mid-FY27F EPS of 1.56 sen.

Although the average forward P/E and historical P/E multiple among its peers trade between 9.7x to 19.7x, we treat SBH Marine Holdings Berhad as an outlier given its high premium valuation with relatively lower NP margin. Hence, excluding SBH Marine Holdings Berhad, the average forward P/E and historical P/E multiple among CAMAROE's peers trade between 9.7x to 10.4x. We ascribe a P/E of 11.0x to CAMAROE, given its solid NP margin compared to all of its peers.



### Fig #8 Peer comparison

Company	Market Group	FYE	Price (RM)	Market Cap (RM'm)	P/E (x)	Forward P/E (x)	ROE (%)	NP Margin (%)
<b>Camaroe Bhd</b>	<b>Ace</b>	<b>Dec</b>	<b>0.14</b>	<b>69.3</b>	<b>*8.6</b>	<b>**9.0</b>	<b>*33.0</b>	<b>*20.3</b>
RESOURCES HOLDINGS BHD PT	ACE	Apr	0.29	152.5	13.1	N/A	5.6	2.1
Mag Holdings Bhd	ACE	Jun	0.18	342.5	7.2	N/A	5.6	13.6
SBH Marine Holdings Bhd	ACE	Dec	0.21	182.0	47.7	N/A	2.9	1.8
CCK Consolidated Holdings BHD	MAIN	Jan	1.16	716.5	10.9	9.7	13.4	6.8
Green Ocean Corp Bhd	ACE	Mar	0.13	27.5	N/A	N/A	N/A	(196.5)
<b>Avg ex-Camaroe Berhad</b>				<b>284.2</b>	<b>19.7</b>	<b>9.7</b>	<b>6.9</b>	<b>(34.5)</b>

Source: M+ Research (\*FY24, \*\*FY26f)

## Investment risks

**Regulatory and licence compliance risk.** The group's farming and processing activities require multiple licences and certifications, including myGAP, HACCP, GMP, and pollutant discharge permits. Failure to obtain or renew these approvals, or adverse regulatory changes, may disrupt operations, raise compliance costs, or affect market access.

**Operational disruption risk.** Farming and processing operations are exposed to unscheduled pond maintenance, equipment breakdowns, electricity or water outages, fires, floods, and monsoons. Such events may cause production delays, increase repair costs, and impact supply to customers.

**Disease and biological hazard risk.** Farms are vulnerable to prawn diseases such as WSSV, IMNV, and EMS. Outbreaks could force pond shutdowns, disrupt supply, and result in financial losses.

**Foreign currency risk.** Export sales are largely denominated in USD and RMB, while equipment purchases are also partly in foreign currency. Exchange rate fluctuations may materially impact revenue and margins, as the group does not hedge its exposures.

**Labour dependency risk.** Nearly half of the farming and processing workforce comprises foreign workers. Policy changes, hiring freezes, or rising levy and wage costs could disrupt operations and inflate labour expenses.

**Food safety and contamination risk.** As a food producer, the group faces inherent risks of contamination, spoilage, or hygiene lapses in farming, processing, storage, or transport.

**Dependence on key management.** The group relies on its Executive Directors and senior management for strategic direction and technical expertise. Loss of key personnel without timely replacement may impact business continuity and performance.

## Environmental, Social & Governance (ESG) Practices

### Environmental

- **Renewable energy.** Solar panels will be installed at the upcoming Bukit Raja Processing Facility.
- **Water and waste management.** Recirculating aquaculture systems, probiotics, and efficient feeding practices are used to maintain pond water quality. Solid waste is captured via sedimentation ponds, treated before discharge, and composted for farm road and bund maintenance.



- **CO2 reduction.** Tree planting initiatives, eg. coconut trees, are undertaken to enhance biodiversity and offset emissions.
- **Certifications.** The group holds MyGAP and Fish Quality certifications, while its processing plant is HACCP, GMP, and MeSTI certified, with regular DOF audits and no product recalls to date.

### Social

- **Employee welfare.** The group provides a safe and supportive work environment with comprehensive health, safety, and training programmes.
- **Fair labour practices.** All workers, including foreign workers, are treated with dignity and respect in line with local labour laws, with zero tolerance for discrimination or exploitation.
- **Supply chain responsibility.** The group promotes ethical labour practices and responsible sourcing across its supply chain, while engaging stakeholders through transparent communication channels.

### Governance

- **Board oversight.** Independent directors with diverse expertise strengthen governance, supported by formal Terms of Reference for all committees.
- **Anti-Bribery and Whistleblowing policies.** The group enforces zero-tolerance anti-bribery and anti-corruption policies, alongside a whistleblowing framework to protect and address misconduct reports.
- **Risk and compliance.** Robust risk management, internal controls, and legal compliance frameworks ensure adherence to regulations and industry best practices.

**Overall ESG comments:** We view Camaroe Berhad's ESG practices as fair and acceptable. Governance is supported by independent directors and policies on anti-bribery, anti-corruption, and whistleblowing. Socially, the group places emphasis on employee welfare and fair labour practices, including providing a safe working environment and ensuring compliance with local labour laws. Environmentally, we note the group's adoption of renewable energy through solar PV installation at its upcoming Bukit Raja Processing Facility, coupled with other initiatives such as water recycling and tree planting further reflect its commitment to sustainable aquaculture practices.



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### Stock recommendation guide

<b>BUY</b>	The share price is expected to appreciate more than 10% over the next 12 months
<b>HOLD</b>	The stock price is expected to range between -10% and +10% over the next 12 months
<b>SELL</b>	The share price is expected to fall more than 10% over the next 12 months
<b>TRADING BUY</b>	The share price is projected to rise more than 10% over the next three (3) months due to an ongoing or impending corporate development. The stock price is also expected to be volatile over the next three months
<b>TRADING SELL</b>	The stock price is expected to fall more than 10% over the next three months due to an ongoing or impending corporate developments. The stock price is also expected to be volatile over the next three months
<b>NOT RATED</b>	No recommendation is assigned

