

3. PROSPECTUS SUMMARY

THIS PROSPECTUS SUMMARY ONLY HIGHLIGHTS THE KEY INFORMATION FROM OTHER PARTS OF THIS PROSPECTUS. IT DOES NOT CONTAIN ALL THE INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE WHOLE PROSPECTUS PRIOR TO DECIDING ON WHETHER TO INVEST IN OUR SHARES.

3.1 PRINCIPAL DETAILS OF OUR IPO

The principal statistics of our IPO is as follows:-

| | |
|---|--------------------|
| Number of Shares to be offered under our Public Issue | |
| - <i>Malaysian Public via balloting</i> | 10,510,000 |
| - <i>Eligible Parties</i> | 1,710,000 |
| - <i>Private placement to selected investors</i> | 37,830,000 |
| | 50,050,000 |
| Enlarged total number of Shares upon Listing | 210,146,000 |
| IPO Price per Share | RM[•] |
| Market capitalisation (based on our IPO Price and the enlarged total number of 210,146,000 Shares upon Listing) | RM[•] |

Further details on our IPO are set out in Section 4.3 of this Prospectus.

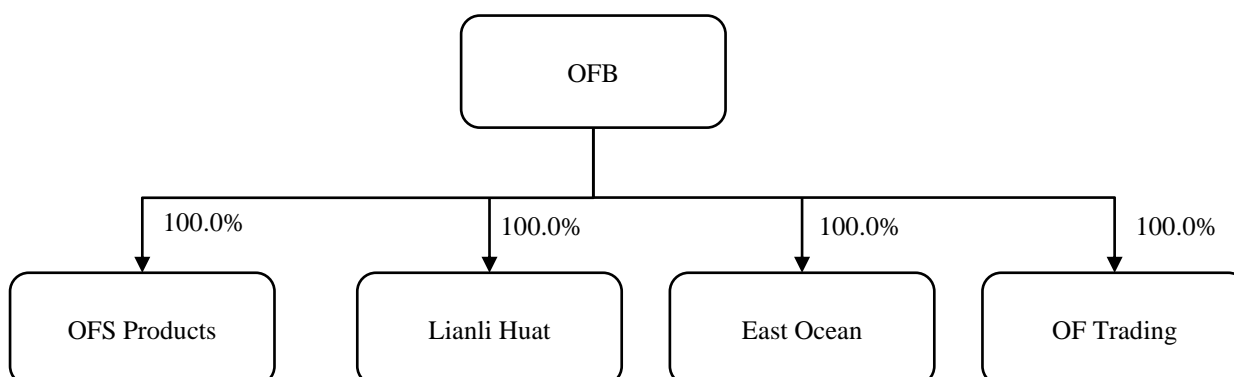
In compliance with the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of Shares held by our Specified Shareholders. Further details of the moratorium are set out in Section 2.2 of this Prospectus. Save for the moratorium imposed on the Shares held by our Specified Shareholders, there is no other moratorium imposed on our Shares.

3.2 GROUP STRUCTURE AND BUSINESS MODEL

Our Company was incorporated in Malaysia under the Act on 22 May 2023 as a private limited company under the name of Ocean Fresh Sdn. Bhd. Subsequently, our Company was converted into a public limited company and assumed our present name on 29 August 2023.



Our Company is an investment holding company and through our wholly-owned subsidiaries, our Group is principally involved in the processing and trading of frozen seafood products. In addition, we are also involved in the provision of frozen seafood processing services.

Our group structure upon the completion of the Acquisitions is as follows:-



3. PROSPECTUS SUMMARY (CONT'D)

Our business model is depicted as follows:-

| | | |
|------------------------------|---|--|
| Principal activities |  Processing and trading of frozen seafood products |  Provision of frozen seafood processing services |
| Products and services | Frozen seafood products | Frozen seafood processing services |
| Revenue model | Sale of frozen seafood products | Service fee |
| Customer segment | Wholesalers and processing facilities ⁽¹⁾ , retailers, importers, F&B service providers and walk-in customers | Wholesalers and processing facilities ⁽¹⁾ as well as importers |
| Markets | <ul style="list-style-type: none"> • Malaysia • Turkey • China • Thailand • Vietnam • Japan • Others (including Indonesia, Philippines, Singapore, Korea, Italy, Portugal, the US and Australia) | |

Note:-

- (1) These processing facilities will further process the frozen seafood products procured from us into ready-to-eat seafood products and/or ready-to-cook marinated seafood products.

Further details on our business model and principal activities are set out in Section 7 of this Prospectus.

3.3 COMPETITIVE STRENGTHS

Our competitive strengths are summarised as follows:-

(i) Our Processing Facility is equipped to produce quality frozen seafood products

Our Processing Facility is equipped with 18 semi-contact blast freezers. Semi-contact blast freezers freeze seafood supplies between -40°C and -42°C, to allow for the preservation of quality and freshness of our frozen seafood products in terms of shape, colour and taste. Such freezers allow for the freezing of frozen seafood supplies of various sizes and shapes.

(ii) We are able to maintain a consistent supply of frozen seafood products throughout the year

Local and imported wild-caught seafood supplies are highly seasonal and its availability may be subject to factors such as weather conditions and fish population. As such, certain wild-caught seafood supply types may not be available throughout the year and the volume of wild-caught seafood supplies may not be sufficient to fulfil market demand.

3. PROSPECTUS SUMMARY (CONT'D)

In light of this, we understand the importance to maintain a consistent supply of frozen seafood supplies through the following means:-

- (a) We have a network of suppliers comprising local and international wholesalers, local and international processing facilities as well as local fishing enterprises.
 - (b) We have cold rooms which allow us to store our frozen seafood supplies and products, while maintaining their freshness and quality.
- (iii) **We are compliant with locally and internationally recognised quality and food safety management certifications**

We have obtained quality and food safety management certifications, including the HACCP and GMP as well as the MeSTI Secure Food Certification Scheme. We have also obtained HALAL certification from JAKIM which provides assurance that our frozen seafood products are processed in a HALAL manner. The HALAL certification is beneficial to our Group as it allows us to target a wider market. The abovementioned certifications are locally and internationally recognised and provide us with the capability to expand our presence in Malaysia as well as penetrate into markets beyond Malaysia such as Turkey, China, Thailand, Vietnam, Japan, Indonesia, Philippines, Singapore, Korea, Italy, Portugal, the US and Australia.

- (iv) **We have a wide network of customers from across the globe**

Throughout our years of operation, we have cultivated business relationships with a wide network of customers comprising both local and international customers. Currently, our international customers are from various countries including Turkey, China, Thailand, Vietnam, Japan, Indonesia, Philippines, Singapore, Korea, Italy, Portugal, the US and Australia. For the Financial Years/Period Under Review, our wide network of customers comprises over 160 local customers and over 170 overseas customers.

With a widespread customer network spanning various countries and regions, we are able to insulate ourselves against regional economic fluctuations and market shifts, thus providing stability to our Group in terms of profitability. This advantage has and will continue to drive our Group's success and will act as a key factor to our Group's future development.

- (v) **We have a management team who is experienced and committed**

The management team's combined knowledge, experience as well as management capabilities and commitment on realising our Group's goals are essential to our continued growth and future development. As such, our management team have been and will continue to be a major factor to our success and a key factor to our future development.

Further details of our Group's competitive strengths are set out in Section 7.3 of this Prospectus.

3.4 FUTURE PLANS AND STRATEGIES

The future plans and strategies of our Group are as follows:-

- (i) **We intend to expand our storage space by setting up a new cold storage facility**

At present, we store our frozen seafood supplies and products in our cold rooms at our headquarters and Processing Facility. During the Financial Years/Period Under Review and up to the LPD, we have reached a utilisation rate of up to 99.94% as indicated in Section 7.19 of this Prospectus. In instances where there was insufficient space at our cold rooms at our headquarters and Processing Facility, we have stored our frozen seafood supplies and products in third-party cold room facilities which reached a maximum tonnage of 400 tonnes at a time during the Financial Years/Period Under Review.

3. PROSPECTUS SUMMARY (CONT'D)

In order to cater to the growth of our business, we intend to set up a new cold storage facility, which will have a total of six (6) units of new cold rooms and a loading bay. The new cold storage facility will be constructed at PSFD Land 1, located right next to our current Processing Facility, where OFS Products had procured a use permit of up to 31 December 2023 from PSFD. The use permit enables OFS Products to utilise the subject land for the construction of a new cold storage facility, subject to periodic renewal. The new cold storage facility is expected to have a total aggregate built-up area of 3,747 m², with a total storage capacity of 3,000 tonnes.

(ii) We intend to continue growing our exports of frozen seafood products to international markets, particularly China

During the Financial Years/Period Under Review, we have exported our products to Turkey and countries mainly in the Asia Pacific such as China, Thailand, Vietnam, Japan Indonesia, Philippines, Singapore and Korea. These markets present a pool of opportunities for us to expand our geographical presence in light of positive market prospects as set out in the IMR Report. According to the IMR Report, the average seafood consumption in the Asia Pacific was the highest in the world at 23.5 kg per capita.

Particularly in China, OFS Products has obtained the GACC certificate (as set out in Section 7.5 of this Prospectus) which allows us to export frozen seafood products into China. We intend to continue to further expand our sales in China as we recognise the potential opportunities present in China in light of the growing frozen seafood market in China. We presently export to China through importers and intend to continue growing our sales through importers. We also intend to collaborate with local wholesalers who have their own network of customers. Apart from China, we will also continue to grow our exports to the existing international markets we presently serve such as Turkey, as we recognise that these markets will continue to present opportunities for us to tap onto.

(iii) We intend to venture into the processing and trading of dried seafood products

For the Financial Years/Period Under Review and up to the LPD, our revenues are solely generated from frozen seafood products. Moving forward, we intend to venture into the processing and trading of dried seafood products. This is because dried seafood product has relatively lower storage and transportation cost as compared to frozen seafood products which require cold rooms to store and refrigerated vehicles to transport.

As at the LPD, we have received enquiries to provide dried seafood products from potential customers as well as existing customers based in China since 2021. Among the dried seafood products in demand include dried fish, dried sea cucumber, dried shrimp and dried scallop. We have thus begun to produce samples of dried seafood products through the sun-drying method to ascertain the demand from our existing customers for dried seafood products and receive feedback from potential customers particularly, their preference on the size and type of products, anticipated pricing and production lead time. Currently, the processing of dried seafood product samples, through sun-drying method, is being carried out by two (2) existing production personnel at a small open-air area space of approximately 200 sq ft at PSFD Land 2. The associated cost for processing dried seafood product samples is minimal.

We estimate that the cost of acquiring and installing the necessary equipment will amount to approximately RM500,000, and this will be funded via bank borrowings and internally generated funds. We intend to acquire the abovementioned equipment by second quarter of 2024. Thereafter, we would require six (6) months to fine-tune our processes to produce dried seafood products and we anticipate to commence our dried seafood processing activities by fourth quarter of 2024 after procuring the updated manufacturing licence, MeSTI certificate, HACCP certificate, GMP certificate, HALAL certificate with the inclusion of dried seafood products under the product categories. We are also required to apply to GACC and DAH (where applicable) via MOH, and FDA for the inclusion of dried seafood products to our list of export products.

3. PROSPECTUS SUMMARY (CONT'D)

Further details of our Group's future plans and strategies are set out in Section 7.20 of this Prospectus.

3.5 RISK FACTORS

An investment in our Shares is subject to risks and investors should read and understand all the risk factors before deciding to invest in our Shares. A summary of the more important risks is set out below:-

(i) **Any material issue with our product safety and quality may harm our business and reputation, or subject us to product liability claims and regulatory actions**

The processing, storage, handling and delivery of our frozen seafood products are subject to inherent risk of product deterioration or contamination or damage. Product safety and quality is thus important to our business and we rely on our QA/QC procedures to ensure our product safety and quality. These QA/QC procedures are detailed in Section 7.5 of this Prospectus. Despite this, there can be no assurance that any failures in our QA/QC procedures such as negligence or misconduct by our employees during our processing operations; unsuitable water or ice quality; as well as technical malfunctions, such as breakdown of machineries and temperature control at our Processing Facility and refrigerated vehicles, may not occur.

(ii) **Our operations are subject to interruptions and delays caused by unforeseen event such as equipment/facility failures, accidents, fires or floods**

Our business operations require the use of equipment and facility such as semi-contact blast freezers and cold rooms. Although we undertake periodic maintenance services on our semi-contact blast freezers and cold rooms, these equipment and facility may, on occasion, be out of service due to unanticipated failures or damages sustained during operations.

Our business is also subject to loss due to natural disasters such as fires and floods, that are beyond our control, which may cause damage or destruction to all or part of our Processing Facility, equipment and cold room. This would result in interruptions to, or prolonged suspension of, our operations.

In addition, our Processing Facility requires sufficient and consistent supply of electricity and water to operate, any failures in supply of electricity and water would temporarily halt our operations. As at the LPD, we have a back-up generator on standby to power the two (2) cold rooms in our Processing Facility in the event of unforeseen power failure to ensure that our frozen seafood products' quality is not affected.

Although we do not have a back-up generator for the cold room located in Factory A, our cold room is capable to maintain its temperature for up to 48 hours during power failure. Thus far, we have not experienced any power failure situations in excess of 24 hours. Nevertheless, in the event if we were to encounter any power failure in excess of 24 hours, we can rent a mobile generator from third-party providers to power our cold room located in Factory A.

(iii) **Our business is subject to risks of revocation or non-renewal of certifications**

Some of our customers, be it local or international customers, require our Processing Facility to have certain certifications or registrations, such as HACCP, GMP, MeSTI Secure Food Certification Scheme and/or HALAL certifications. In addition, we are also required to obtain the necessary international approvals such as EU Number 75 Certificate, DAH, GACC and FDA's approval to export our frozen seafood products for certain countries, as required by their local authorities.

In the event that we fail to comply with any such requirements or conditions, our certifications may be revoked or not renewed upon expiry. The loss of any of these certifications may have an adverse impact on our business operations and financial performance as we may not be able to sell our frozen seafood products to those customers that require such certifications.

3. PROSPECTUS SUMMARY (CONT'D)

Since incorporation till the LPD, we have not experienced any revocation or non-renewal of the abovementioned certifications.

(iv) We are dependent on our Executive Directors and key senior management for the continuing success of our Group

The continuing success of our Group's business is dependent on the efforts, commitment and abilities of our Executive Directors and key senior management who play significant roles in our daily business operations as well as the development and implementation of our business strategies. Our Executive Directors and key senior management possess the relevant experience, from our processing operations, procurement of raw materials to storage and delivery of our frozen seafood products, as well as sales and marketing, and financial activities.

As such, the loss of services of any of our Executive Directors and/or key senior management within a short period of time without any suitable and timely replacement may adversely affect our business and financial performance. Please refer to Sections 7.22 of this Prospectus for further details of our management succession plan.

(v) We are dependent on the availability of foreign workers in our processing operations

A variety of our processing activities, such as the defrosting, cleaning, cutting and arranging, glazing and packaging processes, are still being handled manually. We are thus dependent on labour to perform these processes. As such, we employ foreign workers, comprising 61.54% of our total production workers at our Processing Facility as at the LPD. We have obtained valid work permits for all of our foreign workers.

Our Group's operations have not been materially impacted by the availability of foreign workers as we also engage local part-time workers to supplement our existing workforce to assist in our processing activities.

However, should there be future implementations of hiring freeze on foreign workers, this may temporarily affect our Group's anticipated business growth as the said hiring freeze and process could increase the cost and time required to hire new workers as well as impede or delay any expansion plans that we have.

Further details of the risks associated with our Group and our IPO are set out in Section 9 of this Prospectus.

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3. PROSPECTUS SUMMARY (CONT'D)**3.6 DIRECTORS AND KEY SENIOR MANAGEMENT**

Our Directors and key senior management are as follows:-

| Name | Designation |
|---|--|
| <u>Directors</u> | |
| Law Chee Kheong | Non-Independent Non-Executive Chairman |
| Siang Hai Yong | Executive Director |
| Teo Chee Han | Executive Director |
| Kee Wan Chum | Executive Director / Head of Operations |
| Dato' Sri Chia Hooi Huak | Non-Independent Non-Executive Director |
| Chan Kee Eng | Senior Independent Non-Executive Director |
| Syed Razif Al-Idid B. Syed Sidi Al-Idid | Independent Non-Executive Director |
| Ng Lai Hock | Independent Non-Executive Director |
| Yap Lee Teng | Independent Non-Executive Director |
| Go Sin Sin | Independent Non-Executive Director |
| <u>Key Senior Management</u> | |
| Kan Swee Koh | General Manager - Administration & Human Resources |
| Lain Wui Hiung | General Manager - Production |
| Chong Der Woei | Accountant |

Further details on our Directors and key senior management are set out in Sections 5.1.3, 5.2 and 5.5 of this Prospectus.

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3. PROSPECTUS SUMMARY (CONT'D)**3.7 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS**

The details of our Promoters and/or substantial shareholders and their respective shareholdings in our Company before and after our IPO are as follows:-

| | Nationality/ Country of Incorporation | ⁽¹⁾ Before our IPO but after the Acquisitions | | | | ⁽²⁾ After our IPO | | | |
|---|---|--|-------|------------------------------|-------|------------------------------|-------|------------------------------|-------|
| | | Direct | | Indirect | | Direct | | Indirect | |
| | | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % |
| Promoters and substantial shareholders | | | | | | | | | |
| Siang Hai Yong | Malaysian | 11,994,000 | 7.49 | ⁽³⁾⁽⁴⁾ 16,549,000 | 8.67 | ⁽⁷⁾ 12,294,000 | 5.85 | ⁽³⁾⁽⁴⁾ 16,549,000 | 7.88 |
| Kee Wan Chum | Malaysian | - | - | ⁽³⁾ 13,884,000 | 8.67 | ⁽⁷⁾ 200,000 | 0.10 | ⁽³⁾ 13,884,000 | 6.61 |
| Promoter | | | | | | | | | |
| Kan Swee Koh | Malaysian | - | - | - | - | ⁽⁷⁾ 200,000 | 0.10 | - | - |
| Substantial shareholders | | | | | | | | | |
| Treasure Gain | Malaysia | 51,840,300 | 32.38 | - | - | 51,840,300 | 24.67 | - | - |
| Untung Besar | Malaysia | 34,649,000 | 21.64 | - | - | 34,649,000 | 16.49 | - | - |
| Sierra Mode | Malaysia | 13,884,000 | 8.67 | - | - | 13,884,000 | 6.61 | - | - |
| Dato' Sri Chia Hooi Huak | Malaysian | 13,642,000 | 8.52 | - | - | ⁽⁷⁾ 13,692,000 | 6.51 | - | - |
| Law Chee Kheong | Malaysian | 9,524,700 | 5.95 | ⁽³⁾ 13,884,000 | 8.67 | ⁽⁷⁾ 9,574,700 | 4.55 | ⁽³⁾ 13,884,000 | 6.61 |
| Heah Theare Haw | Malaysian | 8,526,000 | 5.33 | - | - | 8,526,000 | 4.06 | - | - |
| Darmanto | Indonesian | - | - | ⁽⁵⁾ 51,840,300 | 32.38 | - | - | ⁽⁵⁾ 51,840,300 | 24.67 |
| Lee Siok Ming | Malaysian | - | - | ⁽⁶⁾ 34,649,000 | 21.64 | - | - | ⁽⁶⁾ 34,649,000 | 16.49 |
| Tan Eng Aun | Malaysian | - | - | ⁽⁶⁾ 34,649,000 | 21.64 | - | - | ⁽⁶⁾ 34,649,000 | 16.49 |

Notes:-

- (1) Based on our issued share capital of 160,096,000 Shares before our IPO but after the Acquisitions.
- (2) Based on our enlarged issued share capital of 210,146,000 Shares after our IPO.
- (3) Deemed interested by virtue of his/her shareholdings in Sierra Mode pursuant to Section 8 of the Act.
- (4) Deemed interested by virtue of the shareholdings of his spouse, Chia Siew Lee in our Company.
- (5) Deemed interested by virtue of his shareholdings in Treasure Gain pursuant to Section 8 of the Act.
- (6) Deemed interested by virtue of his shareholdings in Untung Besar pursuant to Section 8 of the Act
- (7) Based on the assumption that all our IPO Shares allocated to the Eligible Parties under the Pink Form Allocation are fully subscribed.

Further details on our Promoters and/or substantial shareholders are set out in Section 5.1 of this Prospectus.

3. PROSPECTUS SUMMARY (CONT'D)

3.8 UTILISATION OF PROCEEDS

The estimated gross proceeds arising from the Public Issue of RM[•] million based on our IPO Price shall be utilised in the following manner:-

| Purposes | Estimated Timeframe for Utilisation upon Listing | RM'000 | % |
|---|--|------------|---------------|
| Capital expenditure for a new cold storage facility | Within 24 months | [•] | [•] |
| Working capital requirements | Within 24 months | [•] | [•] |
| Estimated listing expenses | Immediate | [•] | [•] |
| Total | | [•] | 100.00 |

Further details on our utilisation of IPO proceeds are set out in Section 4.7 of this Prospectus.

3.9 FINANCIAL AND OPERATIONAL HIGHLIGHTS

3.9.1 Financial Highlights

The key financial highlights based on the historical audited combined financial statements of our Group for the Financial Years/Period Under Review are as follows:-

| | Audited | | | Unaudited | Audited |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| | FYE 2020 (RM'000) | FYE 2021 (RM'000) | FYE 2022 (RM'000) | FPE 2022 (RM'000) | FPE 2023 (RM'000) |
| Continuing Operations | | | | | |
| Revenue | 94,055 | 158,469 | 156,330 | 64,107 | 80,418 |
| GP | 9,217 | 16,345 | 18,273 | 7,778 | 10,093 |
| PBT | 2,439 | 4,362 | 6,966 | 3,623 | 3,045 |
| PAT from continuing operations | 2,409 | 4,025 | 5,589 | 3,669 | 3,431 |
| Loss after taxation from discontinued operations | (6) | (5) | (8) | (5) | (7) |
| PAT | 2,403 | 4,020 | 5,581 | 3,664 | 3,424 |
| PAT attributable to: | | | | | |
| Owners of the Company | | | | | |
| - continuing operations | 2,486 | 4,052 | 5,601 | 3,672 | 3,424 |
| - discontinued operations | (6) | (5) | (8) | (5) | (7) |
| Non-controlling interest | | | | | |
| - continuing operations | (77) | (27) | (12) | (3) | 7 |
| - discontinued operations | - | - | - | - | - |
| | 2,403 | 4,020 | 5,581 | 3,664 | 3,424 |
| GP margin (%) ⁽¹⁾ | 9.80 | 10.31 | 11.69 | 12.13 | 12.55 |
| PBT margin (%) ⁽²⁾ | 2.59 | 2.75 | 4.46 | 5.65 | 3.79 |
| PAT margin (%) ⁽³⁾ | 2.64 | 2.56 | 3.58 | 5.73 | 4.26 |
| Basic EPS (sen) ⁽⁴⁾ | 1.55 | 2.53 | 3.50 | 2.29 | 2.14 |
| Diluted EPS (sen) ⁽⁵⁾ | 1.18 | 1.93 | 2.67 | 1.75 | 1.63 |

Notes:-

- (1) Computed based on GP divided by revenue from the continuing operations of our Group.
- (2) Computed based on PBT from continuing operations divided by revenue from the continuing operations of our Group.
- (3) Computed based on PAT attributable to the owners of the Company from continuing operations divided by revenue from the continuing operations of our Group.

3. PROSPECTUS SUMMARY (CONT'D)

- (4) Computed based on PAT attributable to the owners of the Company from continuing operations divided by the issued share capital of 160,096,000 Shares after the Acquisitions but before our IPO.
- (5) Computed based on PAT attributable to the owners of the Company from continuing operations divided by the enlarged issued share capital of 210,146,000 Shares after our IPO.

There were no exceptional or extraordinary items during the Financial Years/Period Under Review. Our audited combined financial statements for the Financial Years/Period Under Review were not subject to any audit qualifications.

3.9.2 Operational Highlights

The breakdown of our revenue by business activities for the Financial Years/Period Under Review is as follows:-

| | Audited | | | | | | Unaudited | | Audited | |
|---|---------------|---------------|----------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|
| | FYE 2020 | | FYE 2021 | | FYE 2022 | | FPE 2022 | | FPE 2023 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Processing and trading of frozen seafood products | | | | | | | | | | |
| - Molluscs ⁽¹⁾ | 38,120 | 40.53 | 78,507 | 49.54 | 111,262 | 71.18 | 40,264 | 62.81 | 56,792 | 70.62 |
| - Fishes ⁽²⁾ | 49,162 | 52.27 | 72,505 | 45.75 | 32,317 | 20.67 | 16,733 | 26.10 | 12,992 | 16.16 |
| - Others ⁽³⁾ | 5,172 | 5.50 | 3,891 | 2.46 | 8,697 | 5.56 | 5,808 | 9.06 | 8,357 | 10.39 |
| | 92,454 | 98.30 | 154,903 | 97.75 | 152,276 | 97.41 | 62,805 | 97.97 | 78,141 | 97.17 |
| Provision of frozen seafood processing services | 1,601 | 1.70 | 3,566 | 2.25 | 4,054 | 2.59 | 1,302 | 2.03 | 2,277 | 2.83 |
| Total | 94,055 | 100.00 | 158,469 | 100.00 | 156,330 | 100.00 | 64,107 | 100.00 | 80,418 | 100.00 |

Notes:-

- (1) Mainly comprised cuttlefish, squid, octopus and ark shell meat.
- (2) Mainly comprised tuna, bonito, leatherjacket, mackerel, ribbonfish, pomfret and other types of fishes.
- (3) Mainly comprised sea cucumber, prawn and abalone.

Further details of our Group's financial information are set out in Section 11 of this Prospectus.

3.10 DIVIDEND POLICY

Our Group currently does not have a fixed dividend policy. Nonetheless, it is our intention to pay dividends to our shareholders in the future to allow them to participate in our profits. The declaration of dividends is subject to the discretion of our Board. Actual dividends proposed and declared may vary depending on the financial performance and cash flows of our Group.

The dividends declared and paid during the Financial Years/Period Under Review are as follows:-

| | FYE 2020 | FYE 2021 | FYE 2022 | FPE 2022 | FPE 2023 |
|------------------------|-------------|-------------|----------|----------|----------|
| | (RM) | (RM) | (RM) | (RM) | (RM) |
| Dividend paid/declared | (1) 226,700 | (1) 226,700 | - | - | - |

3. PROSPECTUS SUMMARY (CONT'D)

Note:-

- (1) Dividends declared by OFS Products in respect of FYE 2020 and FYE 2021, of which RM0.23 million were paid out in 2020 and 2021 respectively.

Further details of our dividends are set out in Section 11.7 of this Prospectus.

3.11 IMPACT OF THE COVID-19 PANDEMIC

Despite the MCOs, our processing and trading activities were allowed to continue as our business was recognised as an essential service. We received MITI's approval on 21 March 2020 indicating that we were allowed to operate our processing activities during the MCO. In accordance with the SOPs set out by the Government at the time, we were also allowed to operate our Processing Facility at lower capacity and/or shorter operating hours throughout different phases of the MCOs. Thus, this has reduced the impact of the COVID-19 pandemic on our Group's financial performance during FYE 2020 and FYE 2021.

However, we experienced longer delivery time for imported seafood supplies as well as for our frozen seafood products exported to our international customers mainly as a result of shortage of shipping containers and implementation of additional SOPs at the ports. This has resulted in an increase in shipping costs which we were generally able to pass on to our customers.

Impact on our financial performance

Our Group has not suffered any material interruptions to our business operations throughout the MCOs that have been implemented thus far. In addition, the COVID-19 pandemic did not have a significant adverse impact on our overall financial performance for the Financial Years/Period Under Review as evident by the growth in our revenue from RM94.06 million in the FYE 2020 to RM156.33 million in the FYE 2022 and RM80.42 million in the FPE 2023.

Further details on the impact of COVID-19 pandemic to our business and operations are set out in Section 7.14 of this Prospectus.

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