

#### 4. PARTICULARS OF THE IPO

##### 4.1 OPENING AND CLOSING OF APPLICATION

The Application period will open at 10.00 a.m. on [•] and will remain open until 5.00 p.m. on [•]. **Late applications will not be accepted.**

##### 4.2 INDICATIVE TIMETABLE

The following events are intended to take place on the following tentative dates:-

Events	Indicative Dates
Issue of Prospectus / Opening date for the Application	[•]
Closing date of the Application	[•]
Tentative date for balloting of Applications	[•]
Tentative date for allotment of IPO Shares	[•]
Tentative listing date	[•]

In the event that there is any change to the timetable, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers in Malaysia and make an announcement of such changes on Bursa Securities' website accordingly.

##### 4.3 DETAILS OF OUR IPO

###### 4.3.1 Public Issue

The Public Issue of 50,050,000 new Shares at our IPO Price representing approximately 23.81% of our enlarged issued share capital will be made available for Application as follows:-

(i) **Malaysian Public via balloting**

10,510,000 IPO Shares representing approximately 5.00% of our enlarged issued share capital, are made available for application by the Malaysian Public, to be allocated by way of balloting, of which at least 50.00% is to be set aside strictly for Bumiputera public investors.

(ii) **Eligible Parties**

In recognition of the contributions by the Eligible Parties, we have reserved 1,710,000 IPO Shares (being the Pink Form Allocation) representing approximately 0.81% of our enlarged issued share capital for subscription by the Eligible Parties, as indicated in the table below:-

Category	No. of Eligible Parties	Aggregate no. of IPO Shares allocated
Directors <sup>(1)</sup>	10	1,010,000
Eligible employees <sup>(2)</sup>	58	700,000
<b>Total</b>	<b>66</b>	<b>1,710,000</b>

**4. PARTICULARS OF THE IPO (CONT'D)****Notes:-**

- (1) The number of IPO Shares to be allocated to our eligible Directors are as follows:-

<b>Name</b>	<b>Designation</b>	<b>No. of IPO Shares allocated</b>
Law Chee Kheong	Non-Independent Non-Executive Chairman	50,000
Siang Hai Yong	Executive Director	300,000
Teo Chee Han	Executive Director	200,000
Kee Wan Chum	Executive Director / Head of Operations	200,000
Dato' Sri Chia Hooi Huak	Non-Independent Non-Executive Director	50,000
Chan Kee Eng	Senior Independent Non-Executive Director	40,000
Syed Razif Al-Idid B. Syed Sidi Al-Idid	Independent Non-Executive Director	50,000
Ng Lai Hock	Independent Non-Executive Director	40,000
Yap Lee Teng	Independent Non-Executive Director	40,000
Go Sin Sin	Independent Non-Executive Director	40,000
<b>Total</b>		<b>1,010,000</b>

- (2) The allocation to our eligible employees (as approved by our Board) is based on the following factors:-

- (a) the employee must be at least 18 years old;
- (b) the employee must be a full-time confirmed employee and on the payroll of our Group;
- (c) the seniority, position and their length of service in our Group;
- (d) the contribution made to our Group; and
- (e) others factors deemed relevant to our Group.

The number of IPO Shares to be allocated to our key senior management are as follows:-

<b>Name</b>	<b>Designation</b>	<b>No. of IPO Shares allocated</b>
Kan Swee Koh	General Manager - Administration & Human Resources	200,000
Lain Wui Hiung	General Manager - Production	50,000
Chong Der Woei	Accountant	50,000
<b>Total</b>		<b>300,000</b>

**(iii) Private placement to selected investors**

37,830,000 IPO Shares representing approximately 18.00% of our enlarged issued share capital will be made available by way of private placement to selected investors by our Placement Agent.

All our IPO Shares shall, upon allotment and issuance, rank equally in all respects with our existing issued Shares, except that our IPO Shares will not be entitled to any dividends, rights, allotments or other distributions declared, made or paid prior to the date of allotment and issuance of our IPO Shares.

Upon completion of the Public Issue, our issued share capital will increase from 160,096,000 Shares to 210,146,000 Shares.

**4. PARTICULARS OF THE IPO (CONT'D)****4.3.2 Allocation of our IPO Shares and Underwriting Arrangement**

In summary, our IPO Shares will be allocated in the following manner:-

	Public Issue	
	No. of Shares	*%
Malaysian Public via balloting:-		
- Bumiputera	5,255,000	2.50
- Non-Bumiputera	5,255,000	2.50
Eligible Parties	1,710,000	0.81
Private placement to selected investors	37,830,000	18.00
<b>Total</b>	<b>50,050,000</b>	<b>23.81</b>

**Note:-**

\* Based on the enlarged issued share capital of 210,146,000 Shares after our IPO.

10,510,000 IPO Shares made available to the Malaysian Public have been fully underwritten. In the event of an over-subscription, acceptance of Applications by the Malaysian Public shall be subject to ballot to be conducted in a manner approved by our Board whilst in the event our IPO Shares are not subscribed for in full, these IPO Shares will be made available for application by way of private placement to selected investors. Any remaining IPO Shares thereafter will be subscribed by the Underwriter, subject to the terms and conditions of the Underwriting Agreement.

1,710,000 IPO Shares made available to the Eligible Parties have been fully underwritten. Any IPO Shares reserved under the Pink Form Allocation which are not taken up will be made available firstly, for subscription by other Eligible Parties, secondly, for Applications by the Malaysian Public via balloting and/or selected investors via private placement and finally, by our Underwriter, subject to the terms and conditions of the Underwriting Agreement.

37,830,000 IPO Shares made available to selected investors through private placement are not underwritten. Irrevocable undertakings have been or will be obtained from the selected investors who subscribe for our IPO Shares by way of private placement. Any unsubscribed IPO Shares under this allocation will be made available for Applications by the Malaysian Public via balloting.

Our IPO Shares will be allocated on a fair and equitable manner and the basis of allocation for our IPO Shares shall take into account the desirability of distributing our IPO Shares to a reasonable number of applicants to broaden our shareholding base and to establish a liquid market for our Shares. The identified investors for our IPO Shares under the private placement will be selected in such manner as may be determined by our Placement Agent, in consultation with our Board, to be in the best interest of our Company. Our Placement Agent, in consultation with our Board, has the absolute discretion to decide whether to accept or reject any placement application.

There is no minimum subscription amount to be raised from our IPO. The number of IPO Shares offered under the Public Issue will not be increased via any over-allotment or “greenshoe” option.

Under the Listing Requirements, we are required to have a minimum of 25.0% of our Shares held by at least 200 public shareholders, each holding not less than 100 Shares at the point of our Listing. If the above requirement is not met, we may not be able to proceed with our Listing. Please refer to Section 9.3.5 of this Prospectus for details in the event our Listing is delayed or aborted.

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#### 4. PARTICULARS OF THE IPO (CONT'D)

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As at the LPD, to the extent known to our Company, none of our Directors, substantial shareholders or key senior management has indicated to us that they intend to subscribe for our IPO Shares beyond their respective entitlements under the Pink Form Allocation and there are no person(s) who have indicated to us that they intend to subscribe for more than 5.00% of our IPO Shares.

#### 4.4 BASIS OF ARRIVING AT OUR IPO PRICE

Our IPO Price was determined and agreed upon by us and our Principal Adviser after taking into consideration the following factors:-

- (i) our pro forma NA per Share attributable to the owners of the Company of RM[●] as at 30 June 2023 based on the enlarged issued share capital of 210,146,000 Shares, after our IPO and subsequent to the utilisation of proceeds from our Public Issue as set out in Section 4.7 of this Prospectus;
- (ii) our EPS of 2.67 sen and 3.26 sen for the FYE 2022 and annualised FPE 2023 computed based on our audited PAT from continuing operations attributable to owners of the Company for the FYE 2022 and FPE 2023 of approximately RM5.60 million and RM3.42 million respectively and our enlarged issued share capital of 210,146,000 Shares upon Listing, which translate into PE Multiple of [●] times and [●] times respectively;
- (iii) our competitive strengths as set out in Section 7.3 of this Prospectus;
- (iv) our future plans and strategies as set out in Section 7.20 of this Prospectus; and
- (v) the industry overview and outlook based on the IMR Report as set out in Section 8 of this Prospectus.

**Prospective investors should also note that the market price of our Shares upon Listing is subject to uncertainties of market forces and other factors which may affect the price of our Shares being traded. Prospective investors should form your own views on the valuation of our IPO Shares and reasonableness of the bases used before deciding to invest in our IPO Shares. Prospective investors are also reminded to carefully consider the risk factors as set out in Section 9 of this Prospectus before deciding to invest in our Shares.**

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**4. PARTICULARS OF THE IPO (CONT'D)****4.5 SHARE CAPITAL AND RANKING OF OUR SHARES****4.5.1 Share Capital**

Upon the completion of our IPO, our enlarged issued share capital will be as follows:-

	<b>No. of Shares</b>	<b>RM</b>
Existing issued share capital	160,096,000	38,423,041
New Shares to be issued pursuant to the Public Issue	50,050,000	[●]
<b>Enlarged issued share capital upon Listing</b>	<b>210,146,000</b>	<b>[●]</b>

**4.5.2 Classes and Ranking of Our Shares**

We have only one (1) class of shares, being ordinary shares, all of which rank equally with each other. Our IPO Shares will, upon issuance and allotment, rank equally in all respects with our existing Shares in issue, including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of allotment of our IPO Shares.

Subject to special rights attaching to any Share which we may issue in the future, our shareholders shall, in proportion to the Shares held by them, be entitled to share in the whole of the profits paid out by us as dividends and other distributions, and the whole of any surplus in the event of our liquidation, such surplus to be distributed among the shareholders in proportion to the issued share capital at the commencement of the liquidation, in accordance with our Constitution and provisions of the Act.

At any general meeting of our Company, each shareholder shall be entitled to vote in person or by proxy, or by his/its representative under the instrument of proxy or certificate of appointment of corporate representatives or power of attorney (“**Representative**”). On a vote by shows of hands, each shareholder present (either in person, or by proxy, or by Representative) shall have one (1) vote. On a vote by way of poll, each shareholder present (either in person, or by proxy, or by Representative) shall have one (1) vote for each Share held. A proxy may but need not be a shareholder of our Company.

**4.6 DILUTION**

Dilution is the amount by which our IPO Price to be paid by the applicants for our IPO Shares exceeds our pro forma combined NA per Share after our IPO. The following table illustrates such dilution on per Share basis:-

	<b>Details</b>	<b>RM</b>
IPO Price	(A)	[●]
Audited combined NA per Share as at 30 June 2023 before our IPO but after the Acquisitions	(B)	0.26
Pro forma combined NA per Share as at 30 June 2023 after our IPO and the utilisation of proceeds	(C)	[●]
Decrease in pro forma combined NA per Share attributable to existing shareholders	(C-B)	[●]
Dilution to our new investors	(A-C)	[●]
Dilution to our new investors as a percentage of our IPO Price	(A-C) / (A)	[●]%

#### 4. PARTICULARS OF THE IPO (CONT'D)

Save as disclosed below, there is no substantial disparity between our IPO Price and the effective cash cost to our Directors, substantial shareholders, key senior management and/or persons connected with them for any of our Shares acquired by them or they have the right to acquire our Shares in any transaction from our date of incorporation up to the date of this Prospectus:-

Directors, substantial shareholders and person connected to them	<sup>(1)</sup> No. of Shares held before our IPO but after the Acquisitions	<sup>(2)</sup> Total Consideration (RM)	Average effective cost per Share (RM)
Treasure Gain	51,840,300	12,441,672	0.24
Untung Besar	34,649,000	8,315,760	0.24
Sierra Mode	13,884,000	3,332,160	0.24
Dato' Sri Chia Hooi Huak	13,642,000	3,274,080	0.24
Siang Hai Yong	11,994,000	2,878,560	0.24
Law Chee Kheong	9,524,700	2,285,928	0.24
Heah Theare Haw	8,526,000	2,046,240	0.24
Chia Siew Lee	2,665,000	639,600	0.24

**Notes:-**

- (1) Being Shares issued pursuant to the Acquisitions.
- (2) Calculated based on the purchase consideration for the Acquisitions attributable to them.

As at the date of this Prospectus, save for the Pink Form Allocation which is based on our IPO Price, there is no outstanding right granted to our Directors, substantial shareholders, key senior management and/or persons connected to them to acquire our Shares.

#### 4.7 UTILISATION OF PROCEEDS

Based on our IPO Price, we expect to raise gross proceeds of RM[●] million from the Public Issue which intended to be used in the following manner:-

Purposes	Notes	Estimated Timeframe for Utilisation upon Listing	RM'000	%
Capital expenditure for a new cold storage facility	(i)	Within 24 months	[●]	[●]
Working capital requirements	(ii)	Within 24 months	[●]	[●]
Estimated listing expenses	(iii)	Immediate	[●]	[●]
<b>Total</b>			<b>[●]</b>	<b>[●]</b>

**Notes:-**

**(i) Capital expenditure for a new cold storage facility**

As part of our Group's business expansion plan (as further discussed in Section 7.20 of this Prospectus), we intend to utilise RM[●] million of the gross proceeds from our Public Issue to part finance the construction of a new cold storage facility on PSFD Land 1, where OFS Products had procured a use permit up to 31 December 2024 from PSFD. The use permit enables OFS Products to utilise the subject land for conducting its business operations, subject to periodic renewal.

Upon commissioning, the new cold storage facility is expected to increase our capacity from 1,700 tonnes up to 4,700 tonnes. The new cold storage facility shall cover a total floor area of 3,747 m<sup>2</sup>, comprising the following facilities:-

- six (6) units of cold rooms covering 2,622 m<sup>2</sup>;
- a loading bay covering 240 m<sup>2</sup>;

#### 4. PARTICULARS OF THE IPO (CONT'D)

- an ante room covering 285 m<sup>2</sup>; and
- a 3-level office covering 600 m<sup>2</sup>.

A breakdown of the estimated construction costs for the new cold storage facility based on a contractor's quotation procured is as follows:-

<b>Descriptions</b>	<b>RM'000</b>
Engineering drawings and professional consultancy services and project management	[•]
Construction of cold rooms and office building	
▪ Infrastructure works and earthworks	[•]
▪ Construction costs	[•]
▪ Mechanical and electrical works and other ancillaries	[•]
Setting up of cold rooms and refrigeration system	
▪ Fittings for cold rooms, ante room and loading bay	[•]
▪ Refrigeration system	[•]
▪ Mechanical and electrical works and other ancillaries	[•]
▪ Stackable pallet cage	[•]
<b>Total</b>	[•]

For clarity, the estimated costs are indicative as the final contracts for the construction of the new cold storage facility can only be finalised and entered into after our IPO.

The construction of the new cold storage facility is expected to complete within 18 months upon receiving the requisite approval as illustrated below:-

<b>Milestones</b>	<b>Estimated timeframe</b>
Procuring the requisite approval from the Kuantan City Council for the cold storage facilities' building plan	Within 6 months upon receipt of the gross proceeds from our Public Issue ("T")
Completion of construction	T + 12 months
Issuance of CCC and fire certificate	T + 15 months
Setting up of the new cold rooms and procuring the requisite certifications and/or licences *	T + 18 months

**Note** \*:- OFS Products will obtain business premise licence, food premise registration, HACCP certificate, GMP certificate, MeSTI certificate, HALAL certificate and such other certificates/licences as may be required by the relevant authorities at that point of time, for the operation of the new cold storage facility. In addition, OFS Products will also be required to obtain the registration as cold storage operator from GACC (via MOH) and to notify MOH of the new cold storage facility for the purpose of its EU number 75 certificate.

As stated above, the use permit of the PSFD Land 1 is up to 31 December 2023, subject to periodic renewal. Nevertheless, OFS Products had on 10 October 2023 applied to PSFD for a 30-year extension period for the said use permit, for which the decision from PSFD is still pending as at the LPD. OFS Products does not foresee any issue with the extension from PSFD, given that PSFD has approved the use permit to carry out seafood processing activity on PSFD Land 2 for a period of 20 years. In the event OFS Products is unable to secure an extension similar with PSFD Land 2 from PSFD (including the construction of the new cold storage facilities), OFS Products has identified another smaller parcel of adjacent land ("Adjacent Land") as an alternative to PSFD Land 1 based on the same construction plan. The Adjacent Land is measuring approximately 0.62 hectares located at Lot 4966, Peramu, Mukim Kuala Kuantan, Daerah Kuantan. As at the LPD, we are in the midst of engaging with the land owners for either a long-term tenancy agreement to be entered into for the Adjacent Land or outright purchase. Nonetheless, the parties could not proceed further as two (2) of the 19 land owners have died intestate. The next-of-kins of the said two (2) deceased land owners are in the midst of applying for distribution of assets in accordance with the Shariah law. OFS Products and the (eventual) land owners will only resume discussion on either the long-term tenancy arrangement or outright purchase once the distribution of assets is resolved.

#### 4. PARTICULARS OF THE IPO (CONT'D)

As we are only allocating RM[•] million of the proceeds from our Public Issue for the construction of a new cold storage facility, we intend to finance the remaining RM[•] million construction costs through bank borrowings to be procured by our Group. We do not foresee any difficulty in procuring the necessary bank borrowings given the small quantum of loan required and our low gearing ratio as disclosed in Section 11.4.8 (v) of this Prospectus.

In view of our Processing Facility is also limited and constraint by the volume of products that can be stored at our cold rooms, which is currently near full utilisation rate, the new cold storage facility upon completion will certainly increase our cold room storage space and thereby cater for our business growth. As disclosed in Sections 7.20(ii) and 7.20(iii) of this Prospectus, we intend to grow our exports of frozen seafood products to international markets, particularly China as well as to venture into the processing and trading of dried seafood products. As such, we expect that we will require to store a higher volume of seafood supplies and frozen seafood products, and thus, would require a larger cold room storage space.

##### (ii) Working capital requirements

We intend to utilise RM[•] million from the gross proceeds from our Public Issue for the purchase of raw materials, which comprise fresh and frozen seafood. The purchase of raw materials accounted approximately 92.44% to 93.72% of our Group's total cost of sales during the Financial Years/Period Under Review. The breakdown of each type of raw materials cannot be determined at this juncture as it depends on our customers' orders and availability of raw materials at the relevant point of time.

##### (iii) Estimated Listing Expenses

The estimated listing expenses to be borne by our Group are as follows:-

Details	RM'000
Advisory and professional fees <sup>(1)</sup>	[•]
Fees payable to authorities	[•]
Underwriting commission, brokerage fees and placement fees	[•]
Other miscellaneous expenses and contingencies <sup>(2)</sup>	[•]
<b>Total estimated listing expenses</b>	<b>[•]</b>

##### Notes:-

- (1) Includes fees for our Principal Adviser, Reporting Accountants, due diligence solicitors, IMR, Share Registrar and other professional advisers as well as our Issuing House.
- (2) Includes any other incidental charges or related expenses in relation to our IPO such as fees paid to translator, public or investor relation consultants, printing of Prospectus, forms and envelopes, advertisement of Prospectus, sales and service tax and funds reserved for contingency purposes.

If the actual listing expenses are higher than budgeted, the shortfall will be funded from the portion allocated for working capital purposes. Conversely, if the actual listing expenses are lower than budgeted, the excess will be utilised for working capital purposes.

For the avoidance of doubt, in the event of any material variation to the manner of utilisation of proceeds, we will ensure our compliance with Rule 8.24 of the Listing Requirements.

The proceeds from the Public Issue (save for the estimated listing expenses) will be placed in short-term deposits or money market instruments with licensed financial institutions until eventual utilisation.



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#### **4. PARTICULARS OF THE IPO (CONT'D)**

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#### **4.8 UNDERWRITING COMMISSION, BROKERAGE FEE AND PLACEMENT FEE**

##### **4.8.1 Underwriting Commission**

Our Underwriter will underwrite 12,220,000 IPO Shares made available for application by the Malaysian Public and Eligible Parties. We are obligated to pay our Underwriter the underwriting commission at the rate of [●]% of the total value of our IPO Shares underwritten at our IPO Price.

##### **4.8.2 Brokerage Fee**

Brokerage fee is payable in respect of our IPO Shares at the rate of [●]% of our IPO Price in respect of successful applicants which bear the stamp of participating organisations of Bursa Securities, member of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association in Malaysia or our Issuing House.

##### **4.8.3 Placement Fees**

We are obliged to pay our Placement Agent a placement fee of up to [●]% of the total value of the 37,830,000 IPO Shares placed out by our Placement Agent.

#### **4.9 SALIENT TERMS OF THE UNDERWRITING AGREEMENT**

The following terms are reproduced from the Underwriting Agreement including terms which allow our Underwriter to withdraw from the underwriting obligation after the opening of our IPO. The capitalised terms and numbering references used in this section shall have the respective meanings and numbering references as ascribed to it in the Underwriting Agreement:-

[●]

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