

## **6. INFORMATION ON THE GROUP**

### **6.1 HISTORY**

**6.1.1** The incorporations of the OFS Products Group are as follows:-

**(i) OFS Products**

Our Group's history began with the incorporation of OFS Products in 2002 by Tan Song Hoak and Kee Yow Lee, each of whom held a 50.00% equity shareholding. In the same year of incorporation, Siang Hai Yong, our Group's Executive Director, was appointed as the director of OFS Products together with the founding shareholders and he was then in charge of overseeing the supply chain management of the company in light of his past experience in the fishery business.

In 2007, our Group's Non-Independent Non-Executive Directors, Law Chee Kheong and Dato' Sri Chia Hooi Huak through Treasure Gain acquired 40.00% equity interest in OFS Products from Aquamarine Industries Sdn Bhd, an investment holding company.

Thereafter, Tan Song Hoak and our Group's Executive Director, Siang Hai Yong, through Untung Besar acquired 60.00% equity interest in OFS Products in 2008 from the remaining shareholders of OFS Products at the time, i.e. Tan Song Hoak, Kee Yow Lee, Lim Lien Tong, Tan Eng Aun and Lee Siok Ming. This resulted in the collective equity interests of Untung Besar and Treasure Gain in OFS Products amounting to 100.00%.

In 2013, Siang Hai Yong took over Tan Song Hoak's role to oversee the company's strategic direction and business development after Tan Song Hoak resigned from his role and sold his equity interest in OFS Products through Untung Besar. Teo Chee Han was brought into OFS Products in December 2021, in light of his international business experience, to be in charge of international business development activities and corporate affairs.

**(ii) Lianli Huat**

In 2003, Tan Song Hoak and Tan Yeok Kweng set up Lianli Huat with 50.00% equity interests each in the company. In 2004, OFS Products invested into Lianli Huat, resulting in it holding an 18.0% equity interest in Lianli Huat.

In 2007, our Group's Non-Independent Non-Executive Directors, Law Chee Kheong and Dato' Sri Chia Hooi Huak through Treasure Gain acquired 40.00% equity interest in Lianli Huat from the shareholders of Lianli Huat, i.e. Tan Yeok Kweng, Ong Lian Oeu, Beh Hong Ang, Chung Hooi Yong, Tan Boon Suan and Meng Fanzhe.

In 2008, Tan Song Hoak and our Group's Executive Director, Siang Hai Yong as well as other shareholders of Lianli Huat at the time, consolidated their equity interests of 42.00% in Lianli Huat under Untung Besar.

In an effort to consolidate its operations, OFS Products acquired the remaining 82.00% equity interest in Lianli Huat in 2014 from Treasure Gain and Untung Besar.

**(iii) OF Trading**

OF Trading was set up by Siang Hai Yong and Kee Yow Lee in 2009 with 50.00% equity interests each in the company. In 2013, OFS Products acquired 100.00% equity interest in OF Trading from Siang Hai Yong and Kee Yow Lee, but subsequently sold its entire equity interest in OF Trading to Treasure Gain and Untung Besar. Thereafter, OFS Products acquired the entire equity interest in OF Trading from Treasure Gain and Untung Besar in 2022.

**6. INFORMATION ON THE GROUP (CONT'D)****(iv) East Ocean**

In 2017, Siang Hai Yong and Chew Meng Chung incorporated East Ocean with 50.00% equity interests each in the company. OFS Products acquired 60.00% equity interest from Siang Hai Yong and thereafter, the remaining 40.00% equity interest in East Ocean in 2017 and 2023 respectively.

Subsequently, both Treasure Gain and Untung Besar distributed part of their equity interests in OFS Products to their shareholders in January and December 2022 respectively via capitalising the amount owing to shareholders and capital repayment respectively. Pursuant to the Acquisitions, the shareholders of OFS Products emerged at OFB's level to facilitate our Listing, where OFS Products, Lianli Huat, OF Trading and East Ocean became wholly-owned subsidiaries of OFB.

**6.1.2 Business Operations**

OFS Products commenced its business in processing and trading of frozen seafood products in 2002 upon its incorporation. OFS Products' frozen seafood products were either sold under the "Sea Planet" brand, the customers' brands or unbranded since then, and its seafood supplies were processed from locally wild-caught seafood supplies at the time.

Initially, OFS Products operated out of Factory A, which was then equipped with nine (9) semi-contact blast freezers and a cold room. Its annual maximum production capacity at the time was approximately 9,000 tonnes of frozen seafood products. Thereafter, OFS Products set up Factory B in 2003 and began processing and trading of otoshimi and surimi products in the same year of its incorporation. At the time, Factory B was equipped with otoshimi and surimi processing equipment. In 2003, Lianli Huat was set up to process otoshimi and surimi products.

Meanwhile, OFS Products began to obtain the first independent certification for food quality and safety standard compliance, namely HACCP, for the Processing Facility in 2005. OFS Product's ability to obtain the HACCP depicts the Group's capabilities to meet local and international standards and regulations.

OFS Products subsequently obtained the EU Number 75 Certificate, which is a requirement to export any fish and fishery products to countries within the EU region, from the MOH in 2007. Shortly after, in the same year, OFS Products secured its first orders to export frozen seafood products to two (2) companies based in Italy and Spain, which are part of the EU.

In 2008, OFS Products widened its network of EU-based customers when it secured a sales order to export frozen seafood products to Portugal and began exporting frozen seafood products to countries in Asia Pacific, particularly in Korea and Vietnam. OFS Products subsequently began to export frozen seafood products to China and Indonesia in 2009. OFS Products also began to secure orders of frozen seafood products from Singapore in 2010.

As OFS Products continued to expand its frozen seafood processing business, there was a growing need to secure a consistent supply of fresh seafood products and have control over the quality of the frozen seafood products. Having only procured local wild-caught seafood supplies in the past, OFS Products was subjected to the seasonal availability of local seafood supplies due to factors such as weather conditions and climate. OF Trading was thus set up in 2009 to focus on sourcing new seafood suppliers and inspecting seafood supplies to ensure its quality for OFS Products. With OF Trading focusing on supply chain management, OFS Products began to widen its network of suppliers to not only include local fishing enterprises which supplied wild-caught local seafood supplies, but also wholesalers and/or processing facilities of imported wild-caught seafood supplies and farm-raised seafood supplies.

## 6. INFORMATION ON THE GROUP (CONT'D)

In 2010, there was a fire outbreak in Factory B which badly damaged the processing facility for otoshimi and surimi products. As Lianli Huat's otoshimi and surimi processing business was already adversely impacted by the competitive nature of the industry, it ceased the processing of otoshimi and surimi products and began to focus on trading of frozen seafood products. In the meantime, Factory B was re-constructed into a frozen seafood processing facility and cold room to cater for OFS Products' business expansion.

OFS Products obtained the GMP certification for the frozen seafood processing activities in 2011. In the same year, OFS Products also obtained the export approval from DAH in Vietnam, in line with the country's newly implemented regulation to export frozen seafood products to Vietnam at the time. In 2011, OFS Products also began to secure orders from Thailand.

In 2012, all of the assets relating to the otoshimi and surimi processing business that were unaffected by fire were subsequently disposed of and Factory B's re-construction was completed. In the same year, OFS Products obtained the FDA certificate, depicting the Group's capabilities to comply with food safety requirements in the US and began exporting frozen seafood products to the US. Also in 2012, OFS Products also began to secure orders of frozen seafood products from customers in Australia. In the same year, OFS Products also received the MeSTI certificate from MOH, which verified that the frozen seafood products adhere to the food safety guidelines. As an effort to target a wider market, OFS Products obtained the HALAL certificate from JAKIM in 2013, thus providing assurance that OFS Products' frozen seafood products are processed in a HALAL manner.

In line with the requirements set out by China's regulations at the time for the export of frozen seafood products into China, OFS Products obtained certificate from the Certification and Accreditation Administration of the People's Republic of China (CNCA), which is currently known as GACC in 2015.

In an effort to better control the quality of local seafood supplies sourced from Sabah, Siang Hai Yong incorporated East Ocean in 2017. Post the incorporation of East Ocean, East Ocean facilitated the quality inspection of seafood supplies at fish landing sites in Sabah, while OF Trading continued to focus on the quality inspection of all other seafood supplies and maintaining business relationships with its suppliers.

OFS Products also secured its first order of frozen seafood products from the Philippines in 2018, and subsequently secured its first order of frozen seafood products from Turkey in 2020.

Over the years, OFS Products has successfully grown and evolved into one of the established frozen seafood processor and trader in Malaysia. OFS Products has had 22 years of experience in frozen seafood processing with a network of suppliers to supply local and international wild-caught and farm-raised seafood as well as a network of customers across the globe. Of the total seafood processing industry size in Malaysia, OFS Products has also garnered a market share of 2.7% according to the IMR report by Providence. In addition, our Processing Facility has an annual maximum production capacity of approximately 18,000 tonnes of frozen seafood products by 18 units of semi-contact blast freezers and a total cold room storage capacity of 1,700 tonnes of frozen seafood products by three (3) cold rooms.

### 6.2 KEY ACHIEVEMENTS AND MILESTONES

The key achievements and milestones in the history and development of our Group's business operations up to the LPD are summarised below:-

Year	Key Achievements and Milestones
2002	<ul style="list-style-type: none"> <li>OFS Products was incorporated and commenced its operations with nine (9) semi-contact blast freezers and a cold room</li> </ul>
2003	<ul style="list-style-type: none"> <li>OFS Products set up Factory B and began processing and trading of otoshimi and surimi products</li> <li>Lianli Huat was incorporated</li> </ul>
2004	<ul style="list-style-type: none"> <li>OFS Products invested into Lianli Huat, resulting in it holding an 18.00% equity interest in Lianli Huat</li> </ul>

**6. INFORMATION ON THE GROUP (CONT'D)**

<b>Year</b>	<b>Key Achievements and Milestones</b>
2005	<ul style="list-style-type: none"> <li>OFS Products obtained the HACCP certification for its Processing Facility</li> </ul>
2007	<ul style="list-style-type: none"> <li>OFS Products obtained the EU Number 75 Certificate</li> <li>OFS Products secured its first order from customers in Italy and Spain, which are part of the EU</li> <li>Our Group's Non-Independent Non-Executive Director, Law Chee Kheong and Dato' Sri Chia Hooi Huak through Treasure Gain acquired 40.00% equity interests in OFS Products from Aquamarine Industries Sdn Bhd, an investment holding company</li> <li>Our Group's Non-Independent Non-Executive Directors, Law Chee Kheong and Dato' Sri Chia Hooi Huak through Treasure Gain acquired 40.00% equity interest in Lianli Huat from Tan Yeok Kweng, Ong Lian Oeu, Beh Hong Ang, Chung Hooi Yong, Tan Boon Suan and Meng Fanzhe</li> </ul>
2008	<ul style="list-style-type: none"> <li>Tan Song Hoak and our Group's Executive Director, Siang Hai Yong through Untung Besar acquired 60.00% equity interest in OFS Products from the remaining shareholders of OFS Products at the time, i.e. Tan Song Hoak, Kee Yow Lee, Lim Lien Tong, Tan Eng Aun and Lee Siok Ming</li> <li>Tan Song Hoak and our Group's Executive Director, Siang Hai Yong as well as other shareholders of Lianli Huat at the time, consolidated their equity interests of 42.00% in Lianli Huat under Untung Besar</li> <li>OFS Products began exporting frozen seafood products to Portugal and countries in Asia Pacific, namely Korea and Vietnam</li> </ul>
2009	<ul style="list-style-type: none"> <li>OFS Products secured its first orders from customers in China and Indonesia</li> <li>OF Trading was incorporated to focus on sourcing new seafood suppliers and inspecting seafood supplies to ensure its quality</li> </ul>
2010	<ul style="list-style-type: none"> <li>OFS Products secured its first orders from Singapore</li> <li>Lianli Huat ceased its otoshimi and surimi processing business after the fire outbreak in Factory B and began to be involved in trading of frozen seafood products</li> </ul>
2011	<ul style="list-style-type: none"> <li>OFS Products obtained the GMP certification</li> <li>OFS Products obtained the export approval from DAH in Vietnam</li> <li>OFS Products secured its first order from Thailand</li> </ul>
2012	<ul style="list-style-type: none"> <li>Factory B's reconstruction was completed</li> <li>OFS Products obtained the FDA certificate</li> <li>OFS Products secured its first order from Australia</li> <li>OFS Products obtained MeSTI certificate</li> </ul>
2013	<ul style="list-style-type: none"> <li>OFS Products obtained HALAL certificate</li> <li>Siang Hai Yong took over Tan Song Hoak's role after Tan Song Hoak resigned from his role and sold his equity interest in OFS Products through Untung Besar</li> </ul>
2014	<ul style="list-style-type: none"> <li>OFS Products acquired the remaining 82.00% equity interest in Lianli Huat from Treasure Gain and Untung Besar</li> </ul>
2015	<ul style="list-style-type: none"> <li>OFS Products obtained certificate from CNCA</li> </ul>
2017	<ul style="list-style-type: none"> <li>East Ocean was incorporated to focus on seafood supplies sourced from Sabah</li> </ul>
2018	<ul style="list-style-type: none"> <li>OFS Products secured its first order from the Philippines</li> </ul>
2020	<ul style="list-style-type: none"> <li>OFS Products secured its first order from Turkey</li> </ul>
2021	<ul style="list-style-type: none"> <li>Teo Chee Han was appointed as Executive Director and has since been in charge of international business development activities and corporate affairs</li> </ul>
2022	<ul style="list-style-type: none"> <li>OFS Products acquired the entire equity interest in OF Trading</li> </ul>
2023	<ul style="list-style-type: none"> <li>OFS Products acquired the entire equity interest in East Ocean</li> <li>Our Company was incorporated to facilitate the Listing and acquired OFS Products, Lianli Huat, OF Trading and East Ocean</li> </ul>

## 6. INFORMATION ON THE GROUP (CONT'D)

### 6.3 OUR COMPANY

Our Company (Registration No. 202301019041 (1512963-A)) 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.

Our share capital as at the LPD is RM1 comprising one (1) Share. The movements in our share capital since our incorporation are as follows:-

Date of Allotment	No. of Shares Allotted	Type / Consideration	Cumulative No. of Shares	Cumulative Share Capital (RM)
22 May 2023	1	Subscribers' shares / Cash	1	1
[•]	160,095,999	Consideration for the Acquisitions / Otherwise than cash	160,096,000	38,423,041

Upon completion of the IPO, our Company's issued share capital will increase to RM52,437,041 comprising 210,146,000 Shares.

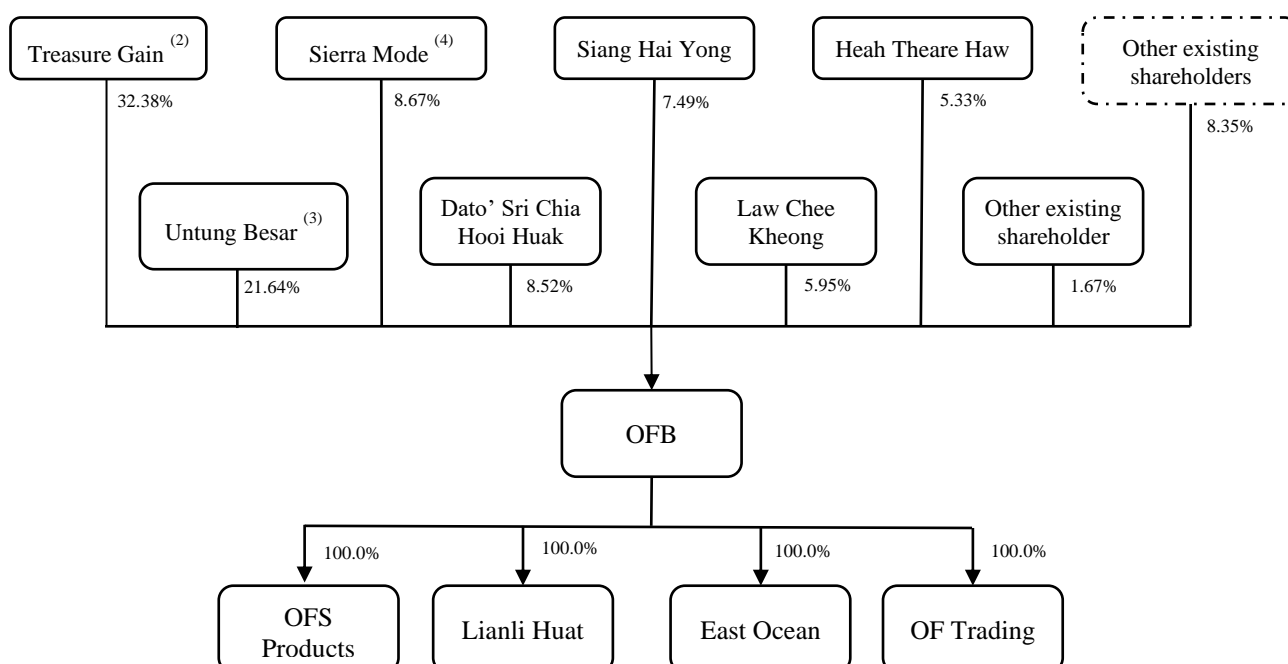
As at the LPD, we do not have any outstanding warrants, options, convertible securities and uncalled capital. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the above allotments.

### 6.4 OUR GROUP

#### 6.4.1 Group Structure

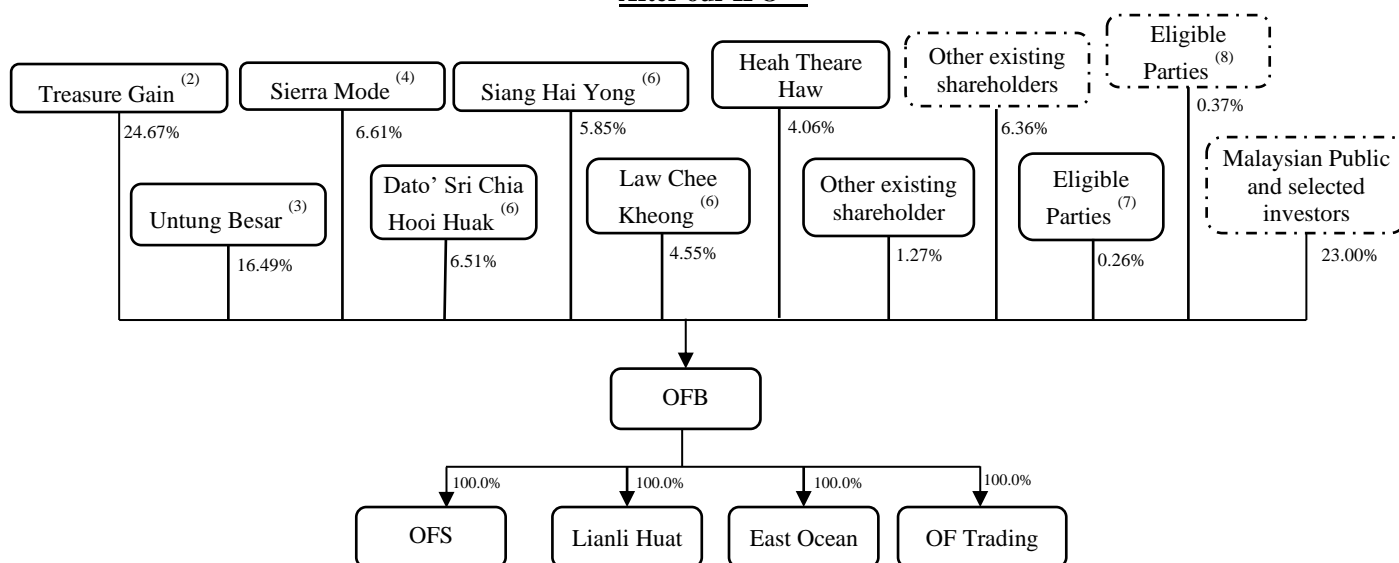
Our group structure before and after our Listing are as follows:-

#### After the Acquisitions but before our IPO <sup>(1)</sup>



**6. INFORMATION ON THE GROUP (CONT'D)**

**After our IPO <sup>(5)</sup>**



**Notes:-**

- Represents public shareholders
- Represents non-public shareholders

- (1) Based on our issued share capital of 160,096,000 Shares before our IPO but after the Acquisitions.
- (2) Please refer to Section 5.1.3 (iv) of this Prospectus for the details of its directors and shareholders.
- (3) Please refer to Section 5.1.3 (v) of this Prospectus for the details of its directors and shareholders.
- (4) Please refer to Section 5.1.3 (vi) of this Prospectus for the details of its directors and shareholders.
- (5) Based on our issued share capital of 210,146,000 Shares after our IPO.
- (6) Based on the assumption that all our IPO Shares allocated to him under the Pink Form Allocation as disclosed in Note 1, Section 4.3.1(ii) of this Prospectus are fully subscribed.
- (7) Based on the assumption that all our IPO Shares allocated to our Directors (save for Dato' Sri Chia Hooi Huak, Siang Hai Yong and Law Chee Kheong) under the Pink Form Allocation as disclosed in Note 1, Section 4.3.1(ii) of this Prospectus are fully subscribed.
- (8) Based on the assumption that all our IPO Shares allocated to the Eligible Parties (save for our Directors) under the Pink Form Allocation are fully subscribed.

**6.4.2 Listing Scheme**

In conjunction with and as integral part of our Listing, our Company undertook a Listing Scheme as follows:-

## 6. INFORMATION ON THE GROUP (CONT'D)

### 6.4.2.1 Acquisitions

Our Company entered into the share sale agreement on 9 October 2023 to acquire the entire issued share capital of OFS Products Group pursuant to the Acquisitions, which entails the following:-

- (i) acquisition of the entire issued share capital of OFS Products for a total consideration of RM38,423,040, which was fully satisfied by the issuance of 160,095,999 new Shares at an issue price of RM0.24 each. The total purchase consideration of RM38,423,040 was arrived at after taking into consideration the audited consolidated NA of OFS Products Group as at 31 December 2022 of RM38.423 million.

The details of the Vendors and the number of Shares issued to them are as follows:-

Vendors	Shareholding in OFS Products		Purchase consideration (RM)	No. of Shares issued
	No. of shares	(%)		
Treasure Gain	1,692,932	32.38	12,441,672	51,840,300
Untung Besar	1,131,520	21.64	8,315,760	34,649,000
Sierra Mode	453,400	8.67	3,332,160	13,884,000
Dato' Sri Chia Hooi Huak	445,488	8.52	3,274,080	13,642,000
Siang Hai Yong	391,680	7.49	2,878,560	11,994,000
Law Chee Kheong	311,070	5.95	2,285,928	9,524,699
Heah Theare Haw	278,430	5.33	2,046,240	8,526,000
Yau Ming Teck	240,800	4.61	1,769,760	7,374,000
Chia Siew Lee	87,040	1.66	639,600	2,665,000
Kee Yow Lee	84,320	1.61	619,680	2,582,000
Eng Chai Hee	57,120	1.09	419,760	1,749,000
Wong Sing Hong	54,400	1.04	399,840	1,666,000

For clarity, the Acquisitions exclude OFS Processing (which was previously a wholly-owned subsidiary of OFS Products) as it had been disposed of by OFS Product to a non-related party on 16 October 2023 for a cash consideration of RM2,771, equivalent to the audited NA of OFS Processing as at 30 June 2023, as it had ceased its operations since the FYE 2018 pursuant to the streamlining of its business to OFS Products.

- (ii) internal reorganisation upon completion of the acquisition of the entire issued share capital of OFS Product whereby our Company had acquired the entire issued share capital of Lianli Huat, East Ocean and OF Trading for a total cash consideration of RM7,614,603 from OFS Products. The said consideration was arrived at after taking into account the aggregate audited NA of Lianli Huat, East Ocean and OF Trading as at 31 December 2022 of RM7.615 million.

The Acquisitions were completed on [•]. Following the completion of the Acquisitions, our Group has formed and OFS Products, Lianli Huat, East Ocean and OF Trading have become our wholly-owned subsidiaries.

### 6.4.2.2 IPO

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

### 6.4.2.3 Listing of and quotation for our Shares

Upon completion of the Listing Scheme, our Company will be admitted to the Official List and our entire enlarged issued share capital of 210,146,000 Shares shall be listed and quoted on the ACE Market.

**6. INFORMATION ON THE GROUP (CONT'D)****6.4.3 Subsidiary and Associated Company**

Details of our subsidiaries are as follows:-

<b>Company/ Registration No.</b>	<b>Date/ Country of Incorporation</b>	<b>Principal Place of Business</b>	<b>Effective Equity Interest (%)</b>	<b>Principal Activities</b>
OFS Products (Registration No. 200201001773 (569436-W))	22.01.2002 / Malaysia	Malaysia	100	Wholesaler, retailer, processor and exporter of frozen seafood products and investment holding
Lianli Huat (Registration No. 200301002588 (605008-T))	28.01.2003 / Malaysia	Malaysia	100	Trading of seafood products
East Ocean (Registration No. 201701010036 (1224201-A))	27.03.2017 / Malaysia	Malaysia	100	To render sourcing services for all type of seafood <sup>(1)</sup>
OF Trading (Registration No. 200901013688 (856748-D))	13.05.2009 / Malaysia	Malaysia	100	To render sourcing services for all type of seafood <sup>(2)</sup>

**Notes:-**

- (1) East Ocean will identify suitable fresh seafood supplies from the fish landing sites in Sabah based on the procurement list provided by OFS Products and thereafter, OFS Products will make the procurement with the suppliers directly.
- (2) OF Trading will identify suitable fresh seafood supplies from the fish landing sites in Kuantan based on the procurement list provided by OFS Products and thereafter, OFS Products will make the procurement with the suppliers directly.

As at the LPD, our Group does not have any associate or joint venture company.

**6.5 MATERIAL INVESTMENTS AND DIVESTITURES****6.5.1 Material Investments**

Save as disclosed below, our Group made no other material investments during the Financial Years/Period Under Review up to the LPD:-

	<b>Audited</b>				<b>Unaudited</b>
	<b>FYE 2020 (RM'000)</b>	<b>FYE 2021 (RM'000)</b>	<b>FYE 2022 (RM'000)</b>	<b>FPE 2023 (RM'000)</b>	<b>1 July 2023 up to the LPD (RM'000)</b>
<b>Investments (Cost)</b>					
Solar asset <sup>(1)</sup>	-	1,777	-	-	-
Plant and machineries <sup>(2)</sup>	13	203	887	-	-
Factory equipment, laboratory equipment and cold room <sup>(3)</sup>	-	53	176	304	90
Motor vehicle <sup>(4)</sup>	55	140	287	159	-
	<b>68</b>	<b>2,173</b>	<b>1,350</b>	<b>463</b>	<b>90</b>



## **6. INFORMATION ON THE GROUP (CONT'D)**

### **Notes:-**

- (1) Purchase of the solar assets to generate electricity for the Factory A and Factory B.
- (2) Purchase of the packaging machine, iron pallets, semi-contact blast freezers and the relevant spare parts.
- (3) Purchase of metal detector machine, galvanised pallet steel cage and cold room spare parts.
- (4) Purchase of the forklifts, refrigerated truck, van and car.

The above material investments were located within Malaysia and were mainly funded through a combination of bank borrowings and our internally generated funds.

### **6.5.2 Material Divestitures**

There were no other material capital divestitures (including interest in other corporations) made by us during the Financial Years/Period Under Review up to the LPD.

### **6.5.3 Material plan to construct, expand or improve our facilities**

Save for the proposed utilisation of proceeds from our Public Issue as disclosed in Section 4.7 of this Prospectus, our Group has no other immediate plans to construct, expand or improve our facilities as at the LPD.

## **6.6 PUBLIC TAKE-OVERS**

None of the following has occurred since our incorporation on 22 May 2023 up to the LPD:-

- (i) public take-over offers by third parties in respect of our Shares; and
- (ii) public take-over offers by our Group in respect of other companies' shares.

## **6.7 REGULATORY REQUIREMENTS AND ENVIRONMENTAL ISSUES**

The material laws and regulations that are relevant to the business operations of our Group are summarised below. The following sections do not purport to be an exhaustive description of all relevant laws and regulations of which our business is subject to:-

- (i) Local Government Act 1976 (“**LGA 1976**”)

The LGA 1976 was enacted to address the laws concerning local governance in Peninsular Malaysia. This legislation empowers each local authorities, including Kuantan City Council (previously known as Kuantan Municipal Council) which oversees our Group's business premises situated in Kuantan, Pahang Darul Makmur, to issue licence or permit for trades, occupation and premises. Such licences or permits are subject to conditions set by the local authority. Further, pursuant to Section 107(5) of the LGA 1976, every person to whom a licence has been granted shall exhibit his licence at all times in some prominent place on the licensed premises and shall produce such licence if required to do so by any officer of the local authority authorised to demand the same. Failure to acquire or produce the licences shall be guilty of an offence and shall on conviction be liable to a fine not exceeding RM500.00 or to imprisonment for a term not exceeding six (6) months or to both.

Since our Group's business premises are located within the jurisdiction of Kuantan District, relevant by-laws namely, the Licensing of Trade, Business and Industries (Kuantan Municipal Council) By Laws 1983, come into effect, which stipulate that engaging in any trade, business or industry within the district necessitates obtaining a licence issued by the Kuantan City Council.

## 6. INFORMATION ON THE GROUP (CONT'D)

As at the LPD, our subsidiaries, OFS Products and Lianli Huat, each holds a valid business licence issued by Kuantan City Council, which is renewable annually. Please refer to Section 7.15 of this Prospectus for further details of the business licenses obtained by OFS Products and Lianli Huat.

For the avoidance of doubt, as at the LPD, the principal activities of OF Trading and East Ocean do not fall within the type of trade, business or industry as prescribed under the schedule of the Licensing of Trade, Business and Industries (Kuantan Municipal Council) By-Laws 1983. Therefore, no business licence is required for OF Trading.

- (ii) FMA 1967 and Regulation 10(2) of the Factories and Machinery (Notification, Certificate of Fitness and Inspections) Regulations 1970 (“**FMAR 1970**”)

The FMA 1967 and FMAR 1970 were enacted to regulate and ensure the safety, health and welfare of workers in factories and other industrial establishments. This includes provisions stating that the occupier of factory has a duty to maintain the standards of safety of appliances and machinery within the factory as well as the health and welfare of the factory workers. Pursuant to Section 19(1) of the FMA 1967, no person is allowed to operate or cause the operation of machinery that requires a certificate of fitness, unless a valid certificate issued under the FMA 1967 is in effect for that machinery's operation. In the case of any contravention, an inspector appointed under the FMA 1967 shall forthwith serve upon the person aforesaid a notice in writing prohibiting the operation of the machinery or may render the machinery inoperative until such time as a valid certificate of fitness is issued. Any person found contravening Section 19(1) of the FMA 1967 commits an offence and shall, on conviction, be liable to a fine not exceeding RM150,000.00 or to imprisonment for a term not exceeding three (3) years or to both.

“Machinery” is defined under the FMA 1967 to include steam boilers, unfired pressure vessels, fired pressure vessel, pipelines, prime movers, gas cylinders, gas holders, hoisting machines and tackle, transmission machinery, driven machinery, materials handling equipment, amusement device or any other similar machinery and any equipment for the casting, cutting, welding or electro-deposition of materials and for the spraying by means of compressed gas or air of materials or other materials, but does not include:-

- (a) any machinery used for the propulsion of vehicles other than steam boilers or steam engines;
- (b) any machinery driven by manual power other than hoisting machines;
- (c) any machinery used solely for private and domestic purposes; or
- (d) office machines.

The Factories and Machinery (Repeal) Act 2022 (“**FMRA 2022**”), which has been passed as law, has received the Royal Assent on 4 March 2022 and has been gazetted on 16 March 2022. However, the date on which the FMRA 2022 comes into operation has yet to be appointed and gazetted.

The FMRA 2022, when it comes into operation, will repeal the FMA 1967. However, any registration made or order, notice, direction, written authority, approval, certificate of fitness, special scheme of inspection or certificate of competency given or issued, under the FMA 1967 shall, on the coming into operation of FMRA 2022, be dealt with under the Occupational Safety and Health Act 1994 (“**OSHA 1994**”) and its subsidiary legislations.

As at the LPD, our Group possesses valid certificates of fitness for the relevant machineries we use, issued by DOSH. Please refer to Section 7.15 of this Prospectus for further details of the certificates of fitness for the relevant machineries obtained by OFS Products.

**6. INFORMATION ON THE GROUP (CONT'D)**

(iii) OSHA 1994

The OSHA 1994 was enacted to promote and ensure the safety and health of workers in connection with the activities of individuals at work. Pursuant to Section 16 of the OSHA 1994, it is the duty of every employer and every self-employed person, except in such cases as may be prescribed, to prepare and as often as may be appropriate revise a written statement of his general policy with respect to the safety and health at work of his employees and the organisation and arrangements for the time being in force for carrying out that policy and to bring the statement and any revision of it to the notice of all of his employees. Failure to do so constitutes an offence and upon conviction, be liable to a fine not exceeding RM50,000.00 or to imprisonment for a term not exceeding two (2) years or both.

Furthermore, Section 30 of the OSHA 1994 reads that, every employer with forty (40) or more employees employed at any place of work or as directed by the Director General of DOSH is required to establish a safety and health committee at the place of work, failing which, such employer shall be guilty of an offence and on conviction, be liable to a fine not exceeding RM5,000.00 or to imprisonment for a term not exceeding six (6) months or to both.

The Occupational Safety and Health (Amendment) Act 2022 (“**OSHAA 2022**”) has been passed as law, has received the Royal Assent and was gazetted on 4 March 2022 and 16 March 2022 respectively. However, the date on which the OSHAA 2022 comes into operation has yet to be appointed and gazetted.

The OSHAA 2022, when it comes into operation, will provide, amongst others:-

- (a) the obligation on every employer to conduct a risk assessment in relation to the safety and health risk posed to any person who may be affected by his job at the place of work and where the risk assessment indicates that risk control is required to eliminate or reduce the safety and health risk, the employer shall implement such control;
- (b) the right of an employee to remove himself from imminent danger at his place of work or the work if the employer fails to take any action to remove the danger which the employee has informed the employer that he has reasonable justification to believe that imminent danger exists at his place of work; and
- (c) provisions in relation to the notice of occupation of place of work, installation and periodic inspection of plants as well as the requirement of a CF for plants to be operated.

As at the LPD, our Group has formulated a documented standard operating occupational safety and health policy. Additionally, we have established a safety and health committee and a certified safety and health officer has been appointed to oversee the safety and health related matter within our Group. As at the LPD, our Group is not in compliance with OSHA 1994. The Group will be in full compliance with OSHA 1994 upon receiving the FC (as defined below) as disclosed in Section 6.7 (ix) of this Prospectus.

(iv) Fish Marketing Rules 2010 (“**FMR 2010**”)

The purpose of the FMR 2010 was enacted to oversee various aspects of the fish industry, with a specific focus on governing the marketing of fish which includes the issuance of licenses to individuals and businesses involved in wholesaling, retailing, fish processing as well as those engaged in importing and exporting fish.

FMR 2010 reads that no person shall:-

- (a) operates any place other than the fish marketing place specified by LKIM by notification in the Gazette as a wholesale fish market or retail fish market, unless an application with the LKIM is made to register the place as a wholesale fish premise or retail fish premise;

## 6. INFORMATION ON THE GROUP (CONT'D)

- (b) have any fish dealings unless at a wholesale fish premise or retail fish premise which has been registered with LKIM;
- (c) import or export any fish without licence; or
- (d) process any fish without licence.

The activities above are collectively referred to as the “**Prescribed Activities**”.

Failure to comply with the above stated provisions shall constitute an offence and render such person to be liable on conviction to a fine not exceeding RM25,000.00 and for a second or subsequent offence, to a fine not exceeding RM50,000.00.

As at the LPD, our subsidiaries, OFS Products and Lianli Huat possess valid licence to Trade, Import, Export and Process Fish, issued by LKIM. Please refer to Section 7.15 of this Prospectus for further details of the Licence to Trade, Import, Export and Process Fish obtained by OFS Products and Lianli Huat.

For the avoidance of doubt, as at the LPD, the principal activities of OF Trading and East Ocean do not fall within the scope of the Prescribed Activities, and thus, do not require the licence to Trade, Import, Export and Process Fish, issued by LKIM.

- (v) Food Hygiene Regulation 2009 (“**FHR 2009**”)

The FHR 2009 was enacted to ensure the quality of the food supply chain. Pursuant to Regulation 3(1) of the FHR 2009, no person shall use any food premises for the purposes of or in connection with the preparation, preservation, packaging, storage, conveyance, distribution or sale of any food or the relabelling, reprocessing or reconditioning of any food (“**Activities**”) unless the premises is registered under the FHR 2009. Failure to comply with the said Regulation 3(1) shall constitute an offence and shall, on conviction, be liable to a fine not exceeding RM10,000 or to imprisonment for a term not exceeding two (2) years.

As at the LPD, our subsidiary, OFS Products has a valid food premise registration issued by MOH. Please refer to Section 7.15 of this Prospectus for further details of the food premise registration obtained by OFS Products.

For the avoidance of doubt, as at the LPD, the other subsidiaries of our Group do not involve in the Activities. Therefore, the certificate of food premise registration is not required.

- (vi) Industrial Co-ordination Act 1975 (“**ICA 1975**”)

The ICA 1975 was enacted to promote and facilitate coordinated industrial development within Malaysia. Pursuant to Section 3 of the ICA 1975, no person shall engage in any manufacturing activity unless he is issued a licence in respect of such manufacturing activity, failing which, shall constitute an offence and is liable on conviction to a fine not exceeding RM2,000.00 or to a term of imprisonment not exceeding six (6) months and to a further fine not exceeding RM1,000.00 for every day during which such default continues.

“Manufacturing activity” is defined under the ICA 1975 as “the making, altering, blending, ornamenting, finishing or otherwise treating or adapting any article or substance with a view to its use, sale, transport, delivery or disposal and includes the assembly of parts and ship repairing but shall not include any activity normally associated with retail or wholesale trade”.

Manufacturing companies with shareholders’ funds of RM2,500,000.00 and above or engaging seventy-five (75) or more full-time paid employees are required to apply to MITI for a manufacturing licence.

As at the LPD, our subsidiary, OFS Products holds a valid manufacturing licence issued by MITI. Please refer to Section 7.15 of this Prospectus for further details of the manufacturing licence obtained by OFS Products.

For the avoidance of doubt, as at the LPD, the other subsidiaries of our Group are not carrying out any manufacturing activities. Therefore, no manufacturing licence is required.

## 6. INFORMATION ON THE GROUP (CONT'D)

- (vii) Food (Issuance of Health Certificate for Export of Fish and Fish Product to the European Union) Regulations 2009 (“**FIHCR 2009**”)

The FIHCR 2009 was enacted to govern the export of fish and fish products to the EU. Under the FIHCR 2009, any individual or entity intends to export fish and fish products to the EU is required to:-

- (a) comply with EU requirements; and
- (b) apply for a health certificate in writing to the competent authority for each consignment of the fish and fish product.

As at the LPD, our subsidiary, OFS Products has obtained the requisite health certificates for each consignment of its products to the EU.

- (viii) EMSHA 1990 and Employees’ Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) Regulations 2020

EMSHA 1990, as amended by Workers’ Minimum Standards of Housing and Amenities (Amendment) Act 2019 was enacted to establish the minimum standards for the housing, accommodations and amenities criteria for employees (where applicable, including their dependants) as well as health, hospital, medical and social amenities to be provided to employees by their employers. Section 24D of the EMSHA 1990 reads that no accommodation shall be provided to an employee unless certified with a CFA obtained from the DOL. Failure to obtain a CFA by an employer shall constitute an offence and shall on conviction, be liable to a fine not exceeding RM50,000.00 only.

As at the LPD, OFS Products has rented five (5) properties in Pekan, Pahang Darul Makmur as accommodation for all the foreign workers employed by our Group and all five (5) properties have been certified with a CFA issued by the DOL. The properties are currently occupied by all its foreign production workers. For clarity, the Group is only required to provide accommodation to its foreign employee who holds a visitor’s pass (temporary employment).

As for the two (2) rented properties in Kuantan, Pahang Darul Makmur, which currently do not possess a CFA, OFS Products intends to terminate the tenancy agreement entered into with Ong Soo Lung and Lee Soo Li by the end of March 2024 and OFS Products has no intention of renewing the tenancy agreement entered into with Faezah Binti Mohd Sa’oad, which is expiring on 1 April 2024. For clarity, these two (2) rented properties in Kuantan, Pahang Darul Makmur will remain vacant until the expiry/termination of the tenancy agreement.

As at the LPD, the Group is in compliance with the EMSHA 1990 and Employees’ Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) Regulations 2020.

- (ix) Fire Services Act 1988 (“**FSA 1988**”)

The FSA 1988 was enacted to establish a comprehensive legal framework focused on preventing, preparing for and responding to fire-related emergencies. As per Section 28 of the FSA 1988, all designated premises are required to possess a fire certificate (“**FC**”), which is renewable on an annual basis. Upon receiving a proper application for a FC, BOMBA will initiate an inspection of the designated premises. If the premises are found to have adequate fire-fighting equipment or fire safety installations in relation to their use, the Director General of BOMBA will issue a FC, subject to any relevant conditions or prescriptions.

Where there is no FC in force in respect of any designated premises the owner of the premises shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM50,000.00 or to imprisonment for a term not exceeding five (5) years or to both.

Our subsidiary, OFS Products does not possess a FC as it was not aware of such requirement and has been operating without FC as the relevant professionals engaged by OFS Products for the monthly fire inspections at Factory A and Factory B had never highlighted such requirement

## 6. INFORMATION ON THE GROUP (CONT'D)

to OFS Products. Only during the course of due diligence exercise for our Listing, OFS Products was highlighted by our due diligence solicitor, Foong & Partners that a FC is indeed required. In view of the above, OFS Products has on 12 July 2023 written to BOMBA to inspect both Factory A and Factory B as part of its application for the FC. Subsequently, BOMBA inspected both Factory A and Factory B on 3 August 2023.

By the letter dated 28 August 2023, BOMBA requested OFS Products to ensure that the fire escape staircase is fully protected with a fire wall and a fire door. Upon completion of the installations of the fire wall and fire door, BOMBA had vide its letter dated 16 February 2024, stated that Factory B has adhered to BOMBA's requirements to satisfaction and further requested OFS Products to improve its fire protection system. As at to-date, OFS Products has completed such improvement. During the final inspection on 21 March 2024, BOMBA requested OFS Products to replace the duty pump of the small hose reel system due to the water leakage. The aforesaid replacement has been completed on 23 March 2024 and OFS Products has informed BOMBA on the same. OFS Products does not anticipate any further queries or requests from BOMBA for the purpose of issuing the FC. Barring any unforeseen circumstances, it is expected that the FC for Factory B will be issued by BOMBA by end April 2024.

As for Factory A, the independent consultant engaged by the Company in procuring the FC has vide its letter dated 5 March 2024, informed the Company that during the inspection by BOMBA on 15 February 2024, BOMBA has confirmed that Factory A does not require a FC as the total floor area of Factory A (excluding awning) does not exceed 2,000 m<sup>2</sup>.

Additionally, as at the LPD, OFS Products has not been fined or issued with any notice of non-compliance in relation to the above. OFS Products is committed in obtaining the FC from the BOMBA. OFS Products has established a specialised team responsible for diligently monitoring the progress of FC issuance. This team is actively engaged in coordinating with the BOMBA to ensure the timely processing of FC.

Our Board is of the firm belief that no significant impediments are expected to arise that could hinder the issuance of the FC. Furthermore, we are confident that this procedure will not lead to any substantial disruption in the business operations of our Group considering our proactive approach of closely collaborating with the BOMBA and promptly addressing any concerns they might raise.

- (x) Street, Drainage and Building Act 1974 ("**SDBA 1974**") and Uniform Building By-Laws 1984 ("**UBBL 1984**")

The SDBA 1974 was implemented by the local authorities of Peninsular Malaysia which mandates that every building or part building must possess a CF or CCC before it can be occupied.

Pursuant to the UBBL 1984, a CF will only be issued by the local authority upon submission of certification forms by the qualified persons, i.e. architect, registered building draughtsman or engineer. The certification must affirm, to the best understanding of the qualified persons, that:-

- (a) the relevant building has been constructed in accordance with the UBBL 1984 and any stipulated conditions imposed by the local authority;
- (b) essential services have been adequately provided; and
- (c) the qualified persons accept full responsibility for the aspects they are concerned with.

Section 28 of the UBBL 1984 states that no person shall occupy or permit to be occupied any building or any part thereof, other than a singly built detached house, unless a CF, a partial CF or a temporary CF has been issued for such building and any failure to comply with this by-law shall render such person liable to prosecution under the SBDA 1974.

As at the LPD, our headquarters and Processing Facilities have valid CF and CCC.

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**6. INFORMATION ON THE GROUP (CONT'D)**


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## (xi) Immigration Act 1959/63 (“IA”)

The IA was enacted to manage and regulate immigration matters, balancing national security as well as issuing work permits to foreign workers employed by Malaysian employers. The IA states no person other than a citizen shall enter Malaysia unless he is in possession of a valid entry permit / pass or has been granted an exemption under the IA. Section 55B of the IA provides that an employer who employs one (1) or more persons, other than a citizen or a holder of an entry permit, who is not in possession of a valid pass shall be guilty of an offence and shall, on conviction, be liable to a fine of not less than RM10,000.00 but not more than RM50,000.00 or to imprisonment for a term not exceeding twelve (12) months or to both for each such employee. Furthermore, where it is proven that an employer has at the same time employed more than five (5) such employees, that employer shall, on conviction, be liable to imprisonment for a term of not less than six (6) months but not more than five (5) years and shall also be liable to whipping of not more than six (6) strokes.

As at the LPD, all foreign workers employed by our Group possess a valid permit / pass.

## (xii) National Land Code (“NLC”)

The NLC governs land matters within Peninsular Malaysia and Labuan. Pursuant to the NLC, the state authority may alienate or subdivide land according to three categories of land use: “agriculture”, “building” and “industry”. These categories are subject to any express conditions and restrictions in interest, as may be imposed by the state authority at the time of land approval for alienation or subdivision. These conditions and restrictions in interest are endorsed on or referred to in the document of title to the land. Failure to use the land in accordance with the category of land use, along with any express conditions and restrictions in interest, may result in the land administrator appointed under Section 12 of the NLC (“**Land Administrator**”) serving a notice to the proprietor to remedy the breach. The Land Administrator also has the authority to impose fine and/or forfeit the land as deemed appropriate.

As at the LPD, there has been no non-compliance with the NLC by our Group.

## (xiii) National Forestry Act 1984 (“NFA”)

The NFA was enacted to provide for the administration, management and conservation of forests and forestry development within Peninsular Malaysia and Federal Territory of Labuan. Section 32(1) of the NFA provides that no person shall occupy or carry out any activity upon any land within a permanent reserved forest, unless he is the holder of a use permit. Any person who contravenes Section 32(1) of the NFA shall be guilty of an offence and shall on conviction be liable to a fine not exceeding RM50,000.00 or to imprisonment for a term not exceeding five (5) years or to both such fine and imprisonment. Section 33 of the NFA further provides that the state authority may, in accordance with the provisions of the NFA and of any rules, permit the occupation of or the carrying out of any activity upon, any land in a permanent reserved forest and such permit to occupy or carry out any activity upon any land within a permanent reserved forest issued by the state authority shall be known as use permits. Except in so far as it is otherwise prescribed, every use permit shall be issued by the state authority for a term expiring not later than the end of the calendar year in which it commences, and may be renewed from time to time. Such use permit shall be in the form as prescribed under the NFA and in the case of renewal of such use permit, it shall be endorsed with a note of such renewal and the date of its intended expiry.

For clarity, fifth schedule of the NFA provides that the reference to the state authority shall be construed as reference to the “Minister”. Whilst “Minister” is defined as the minister responsible for forestry, i.e. Ministry of Natural Resources and Nature Sustainability, which heads the Forestry Department Peninsular Malaysia and eleven (11) state forestry departments, including PSFD.

As at the LPD, OFS Products has obtained from PSFD a valid use permit for PSFD Land 1 for the purpose of operating cold rooms on PSFD Land 1 since 15 February 2014 and a valid use permit for PSFD Land 2 for the purpose of carrying out seafood processing activity on PSFD Land 2 since 5 September 2003.