

## 4. DETAILS OF OUR IPO

### 4.1 OPENING AND CLOSING OF APPLICATIONS

Application for our IPO Shares 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

An indicative timetable of our IPO is set out below:

Events	Indicative Date
Issuance of the Prospectus / Opening of Application for our IPO	[●]
Closing of Application for our IPO	[●]
Balloting of Application for our IPO	[●]
Allotment of IPO Shares to successful applicants	[●]
Listing on the ACE Market	[●]

In the event there is any change to the timetable, we will advertise a notice of change in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia.

### 4.3 PARTICULARS OF OUR IPO

The Public Issue of 70,000,000 new Shares representing an aggregate of approximately 16.28% of our enlarged number of issued Shares, are issued / offered at the IPO Price payable in full on Application upon such terms and conditions as set out in this Prospectus and will be allocated and allotted in the following manner:

#### 4.3.1 Public Issue

The Public Issue of 70,000,000 new Shares at the IPO Price representing approximately 16.28% of our enlarged number of issued Shares will be made available for Application in the following manner:

##### (i) Malaysian Public (via balloting)

8,600,000 Public Issue Shares, representing 2.00% of our enlarged number of issued Shares will be made available for application by the Malaysian Public through a balloting process, of which 50.00% will be set aside for Bumiputera individuals, companies, co-operatives, societies and institutions.

#### 4. DETAILS OF OUR IPO (CONT'D)

##### (ii) Eligible Persons

7,650,000 Public Issue Shares, representing approximately 1.78% of our enlarged number of issued Shares will be made available for application by the Eligible Persons in the following manner:

<b>Eligible Persons</b>	<b>Number of Persons</b>	<b>Pink Form Shares Allocation</b>
Eligible Directors	3	900,000
Eligible employees	[193]	4,000,000
Persons who have contributed to the success of our Group	[13]	2,750,000
<b>Total</b>	<b>[209]</b>	<b>7,650,000</b>

The criteria of allocation to our eligible Directors are based on, amongst others, their respective roles, responsibilities and potential contribution to our Group in the future. The allocation of Pink Form Shares to eligible Directors is as follows:

<b>Name of Directors</b>	<b>Designation</b>	<b>No. of Shares</b>
Chin Mui Khiong	Independent Non-Executive Director	300,000
Lim Kuan Yew	Independent Non-Executive Director	300,000
Junijah binti Ismail	Independent Non-Executive Director	300,000
<b>Total</b>		<b>900,000</b>

The Pink Form Shares will be allocated to eligible key senior management and employees of our Group based on the following criteria as approved by our Board:

- (a) the eligible employee must be a full time and confirmed employee of our Group and who has not submitted his / her resignation as at the LPD;
- (b) the eligible employee must be on our Group's payroll;
- (c) seniority, designation and position;
- (d) length of service;
- (e) past performance and respective contribution made to our Group; and
- (f) the eligible employee must be at least 18 years of age.

The allocation of Pink Form Shares to eligible key senior management who are included in Eligible employees is as follows:

<b>Names of key senior management</b>	<b>Designation</b>	<b>No. of Shares</b>
Tay Pick Chong	Group General Manager	200,000
Justin Ho Tze Shiuan	Assistant General Manager cum Sales and Marketing Manager	200,000
Lim Kok Cheng	General Manager of BFL	200,000
Lim Hang Min	Group Production Manager	200,000
Ho Mui Siok	Group Finance Manager	200,000
Brandon Wee Wei Xuan	Business Development Manager	200,000
Terence Lim Tze Yung	Group Facility Manager	200,000
<b>Total</b>		<b>1,400,000</b>

#### 4. DETAILS OF OUR IPO (CONT'D)

The Pink Form Shares to be allocated to the persons who have contributed to the success of our Group will take into consideration of their current and / or past contribution to the success of our Group. Their allocations are based on, amongst others, their level of contributions to our Group and length of their respective relationships. The persons who have contributed to the success of our Group include, amongst others, our suppliers, customers and business associates.

Save for the allocation made available for the Application as disclosed in Section 4.3.1(ii) of this Prospectus:

- (a) there are no other substantial shareholders, Directors or key senior management who intend to subscribe for our IPO Shares; and
- (b) there are no person(s) who intend to subscribe for more than 5.00% of our IPO Shares.

#### (iii) Private placement to Bumiputera investors approved by MITI

53,750,000 Public Issue Shares, representing approximately 12.50% of our enlarged number of issued Shares will be made available by way of private placement to Bumiputera investors to be approved by the MITI.

#### 4.3.2 Listing Scheme

Upon completion of our IPO, our Company's entire enlarged issued share capital of RM[●] (after adjusting the estimated listing expenses of approximately RM[●]) comprising 430,000,000 Shares shall be listed on the ACE Market.

#### 4.3.3 Underwriting arrangement and allocation of our IPO Shares

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

Categories	Public Issue Shares	
	No. of Shares	(1) %
<b>Retail Offering</b>		
(i) Malaysian Public (via balloting) <sup>(2)</sup>		
- Bumiputera	4,300,000	1.00
- Non-Bumiputera	4,300,000	1.00
(ii) Eligible Persons	7,650,000	1.78
<b>Private placement</b>		
Bumiputera investors approved by the MITI	53,750,000	12.50
<b>Total</b>	<b>70,000,000</b>	<b>16.28</b>

#### Notes:

- (1) Based on the enlarged total number of 430,000,000 Shares after our IPO.
- (2) At least 50.00% of the balloting Shares shall be set aside for Bumiputera individuals, companies, co-operatives, societies and institutions.

The 8,600,000 Public Issue Shares made available for application by the Malaysian Public (via balloting) and the 7,650,000 Pink Form Shares made available to the Eligible Persons under Sections 4.3.1(i) and 4.3.1(ii) respectively are fully underwritten by our Underwriter.

#### 4. DETAILS OF OUR IPO (CONT'D)

Any unsubscribed Public Issue Shares by the Malaysian Public will be made available for application by the Eligible Persons. Any unsubscribed Pink Form Shares will be re-offered to our Group's other Eligible Persons before being re-allocated to the Malaysian Public.

All the 53,750,000 Offer Shares made available to Bumiputera investors approved by the MITI by way of private placement under Section 4.3.2 above ("**MITI Tranche**") are not underwritten. Irrevocable undertakings have been or will be obtained from the MITI's approved Bumiputera investors to subscribe for our IPO Shares available under the private placement.

In the event of an under-subscription of the MITI Tranche, the unsubscribed IPO Shares under the MITI Tranche shall be firstly allocated to the over-subscribed portion of the Bumiputera public under the retail offering, if any, and any balance remaining shall be made available for Application by the non-Bumiputera public under the retail offering. If there are any balance remaining after the allocation to the Bumiputera and non-Bumiputera public under the retail offering, it shall be made available for Application by the Eligible Persons.

The allocation of our IPO Shares shall be on a fair and equitable manner and shall take into account the desirability of distributing our IPO Shares to a reasonable number of applicants with a view:

- (i) to broaden our Company's shareholding base to meet the public shareholding spread requirements of Bursa Securities; and
- (ii) to establish a liquid market for our Shares.

There is no minimum subscription amount to be raised from our IPO. All our IPO Shares are subscribed by Bumiputera investors approved by the MITI and the Malaysian Public, pursuant to their irrevocable undertakings or fully underwritten by our Underwriter. The number of IPO Shares offered under the Public Issue will not be increased via any over-allotment or "greenshoe" option.

The salient terms of the underwriting arrangement are set out in Section 4.10 of this Prospectus.

#### 4.3.4 Share capital

As at the [LPD], the issued share capital for our Company is RM59,866,944 comprising 360,000,000 Shares. Upon completion of our IPO, our Company's entire enlarged issued share capital will be RM[●] (after adjusting the estimated listing expenses of approximately RM[●]) comprising 430,000,000 Shares as follows:

Details	No. of Shares	RM
Existing issued share capital	360,000,000	59,866,944
New Shares to be issued pursuant to the Public Issue	70,000,000	[●]
Less: Estimated listing expenses directly attributable to the Public Issue	-	<sup>(1)</sup> [●]
<b>Enlarged total number of Shares upon Listing</b>	<b>430,000,000</b>	<b>[●]</b>
IPO Price		[●]
<b>Market capitalisation upon Listing (RM'000)</b> (based on the IPO Price and the number of Shares after our IPO)		<sup>(2)</sup> [●]
<b>Pro forma NA (RM'000)</b> (after Public Issue and use of proceeds)		<sup>(3)</sup> [●]

#### 4. DETAILS OF OUR IPO (CONT'D)

Details	No. of Shares	RM
<b>Pro forma NA per Share</b> (based on the number of Shares after Public Issue and use of proceeds)		<sup>(3)</sup> [●]

**Notes:**

- (1) *These expenses are capitalised to the share capital of our Company as they are directly attributable to the issuance of our Shares pursuant to the Public Issue. The amount of RM[●] million consists of RM[●] million for brokerage and underwriting fees and RM[●] million for the proportion of listing expenses directly attributable to the Public Issue.*
- (2) *Based on 430,000,000 Shares upon our IPO multiplied by the IPO price of RM[●].*
- (3) *Further details of the pro forma NA are set out in Section 12.16 of this Prospectus.*

#### 4.3.5 Classes of Shares and ranking

As at the date of this Prospectus, we have only one class of shares, being ordinary shares. Our Public Issue Shares will, upon allotment and issue, rank equally in all respect with our existing Shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of allotment of our Public Issue Shares, subject to any applicable Rules.

Subject to any special rights attaching to any Shares which we may issue in the future, our shareholders shall, in proportion to the amount paid by them, be entitled to share the profits paid out by us in the form of dividends and other distributions. Similarly, if our Company is liquidated, our shareholders shall be entitled to the surplus (if any), in accordance with our Constitution after the satisfaction of any preferential payments in accordance with the Act and our liabilities.

At any general meeting of our Company, each of our shareholders shall be entitled to vote in person, by proxy, by attorney or by other duly authorised representative. A proxy may but need not be a member of our Company and there shall be no restriction as to the qualification of the proxy.

On a show of hands, each shareholder present either in person, by proxy, by attorney or by other duly authorised representative shall have one vote. On a poll, each shareholder present either in person, by proxy, by attorney or by other duly authorised representative shall have one vote for each Share held.

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

Our IPO Price of RM[●] per IPO Share was determined and agreed upon by our Board and Principal Adviser after taking into consideration the following factors:

- (i) our pro forma NA per Share of RM[●] as at 30 September 2023 based on 430,000,000 Shares after Listing and subsequent to the utilisation of proceeds from our Public Issue as set out in Section 4.8 of this Prospectus;
- (ii) based on our historical audited consolidated statements of profit or loss and other comprehensive income of our Group for FYE 2023, we recorded a PAT of approximately RM9.22 million representing EPS of RM0.021 based on 430,000,000 Shares upon Listing resulting in a PE Multiple of [●] times. In accordance with Rule 3A.03 of the ACE Market Listing Requirements, a transfer applicant and its sponsor must ensure that there is a clear price discovery mechanism for the Shares which will be transferred to the ACE Market of Bursa Securities. The PE Multiple of [●] times falls within the range of PE Multiples of selected comparable companies between 5.50 times to 46.33 times.

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**4. DETAILS OF OUR IPO (CONT'D)**

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We have selected the comparable companies based on the following criteria:

- (a) principally operating in the similar business / sector i.e. distribution of fast-moving consumer goods; and
- (b) listed on the Main Market of Bursa Securities and / or the ACE Market of Bursa Securities.

It should be noted that the comparable companies have been selected on a best-effort basis and may not be directly comparable to our Company due to various factors which include, amongst others, composition of business activities, size of the business, geographical coverage, financial track record, risk profile, marketability and liquidity. The list of comparable companies selected is by no means exhaustive.

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#### 4. DETAILS OF OUR IPO (CONT'D)

Details of the selected comparable public listed companies as at the LPD are as follows:

Name / Market	Principal activities	As at the LPD		<sup>(1)</sup> Basic earnings per share (RM)	PE Multiple (times)
		Closing price (RM)	Market capitalisation (RM'000)		
SCRB / LEAP Market	Principally involved in the distribution of third-party brands as well as own brand of frozen and chilled food products, ambient F&B products and non-F&B products.	0.67	80,400	0.08	8.38
<b>Selected comparable companies</b>					
DKSH Holdings (Malaysian) Berhad / Main Market	Principally involved in the provision of market expansion services, which range from marketing, to providing sales force, distribution and logistics, invoicing and credit control, handling of inventory and returned goods and other value-added services. These services are provided to consumer goods, healthcare and performance materials clients. Also operates retail outlets selling Famous Amos cookies, manufacturing and supplying of butter and margarine, and related bakery, confectionery and dairy products.	4.55	717,344	0.66	6.89
Farm Fresh Berhad / Main Market	Principally involved in the rearing of dairy cows, production of marketing, sale of cow's milk and plant-based related products.	1.39	2,601,969	0.03	46.33
Fraser & Neave Holdings Berhad / Main Market	Principally involved in the manufacturing and sale of soft drinks, dairy and food products, property development activities and the provision of management services.	29.50	10,819,966	1.48	19.93

**4. DETAILS OF OUR IPO (CONT'D)**

Name / Market	Principal activities	As at the LPD		<sup>(1)</sup> Basic earnings per share (RM)	PE Multiple (times)
		Closing price (RM)	Market capitalisation (RM'000)		
Harrisons Holdings (Malaysian) Berhad / Main Market	Principally involved in the marketing, sales and distribution of building materials, industrial and agricultural chemical products, liquor products, consumer goods, engineering and the operation of retail, shipping, insurance and travel agencies.	8.72	597,112	0.99	8.81
Kim Teck Cheong Consolidated Berhad / Main Market	Principally involved in the distribution of consumer-packaged goods and manufacturing of bakery products.	0.22	150,009	0.04	5.50
SDS Group Berhad / Main Market	Principally involved in the manufacturing and distribution of bakery products, as well as operator of food and beverage outlets.	0.80	327,705	0.06	13.33
Spritzer Berhad / Main Market	Principally involved in the production and sale of natural mineral water, carbonated flavoured water, distilled water, drinking water and non-carbonated flavoured water, manufacturing and selling of polyethene terephthalate ("PET") preforms, PET bottles, caps, toothbrushes and other plastic products, distribution of bottled water and other consumer products, operator of a mini golf course and recreational park and investment holding.	2.03	648,208	0.12	16.92
Wellspire Holdings Berhad / ACE Market	Principally involved in the distribution and online retailer of consumer-packaged foods	0.67	477,124	<sup>(2)</sup> 0.004	<sup>(3)</sup> 167.50
				<b>High</b>	<b>46.33</b>
				<b>Low</b>	<b>5.50</b>
				<b>Average</b>	<b>16.82</b>

Source: Bloomberg



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#### 4. DETAILS OF OUR IPO (CONT'D)

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**Notes:**

- (1) *Based on the latest audited PAT attributable to the owners of the company divided by the number of ordinary shares in issue as at the LPD.*
- (2) *The basic earnings per share is less than RM0.01. Therefore, 3 decimal places is used for this company.*
- (3) *This is an outlier and the PE Multiple of this company has been excluded in determining the high, low and average PE Multiple of selected comparable public listed companies.*
- (iii) our competitive strengths as described in Section 7.5 of this Prospectus;
- (iv) our business strategies and future plans as described in Section 7.18 of this Prospectus; and
- (v) the industry overview and prospects as set out in the IMR Report in Section 8 of this Prospectus respectively.

**Prospective investors should note that the market price of our Shares upon Listing is subject to the vagaries of market forces and other uncertainties which may affect the market price of our Shares. 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. You are also reminded to consider carefully the risk factors as set out in Section 9 of this Prospectus.**

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#### 4. DETAILS OF OUR IPO (CONT'D)

##### 4.5 EXPECTED MARKET CAPITALISATION UPON LISTING

Based on the IPO Price of RM[●], the total market capitalisation of our Company upon Listing shall be RM[●].

##### 4.6 OBJECTIVES OF OUR IPO

The purposes of our IPO are as follows:

- (i) to establish liquidity for our Shares by the listing of and quotation for our entire issued share capital of 430,000,000 Shares on the ACE Market of Bursa Securities;
- (ii) to provide an opportunity for the Malaysian Public, including our eligible Directors, key senior management and employees to participate in our equity;
- (iii) to enable our Group to raise funds for the purposes specified in Section 4.8 of this Prospectus;
- (iv) to enable us to tap into the equity capital market for future fund raising and to provide us the financial flexibility to pursue further growth opportunities as and when they arise; and
- (v) to gain recognition through our listing status which will enhance our Group's reputation in the marketing of our products and services, retention of our employees, expand our customer base and to attract new employees.

##### 4.7 DILUTION

Dilution is computed as the difference between our IPO Price paid by you for our Public Issue Shares and the pro forma NA per Share of our Group immediately after our IPO. Our pro forma NA per Share as at 30 September 2023 after the Bonus Issue of Shares but before our IPO is RM[●], based on the total number of 360,000,000 Shares of our Company after the Bonus Issue of Shares and immediately prior to our IPO.

Upon issuance of the Public Issue Shares and after adjusting for effects of the utilisation of proceeds raised from our IPO, our pro forma NA per Share as at 30 September 2023 would be RM[●] per Share based on our Company's enlarged total number of 430,000,000 Shares. Pursuant thereto, this will result in:

- (i) an immediate decrease in NA per Share of RM[●] to our existing shareholders; and
- (ii) an immediate dilution in NA per Share of RM[●], representing a [●]% dilution to our new investors.

The following table illustrates the effect in our Group's pro forma NA for each Share to our shareholders:

	<b>RM</b>
IPO Price	[●]
Pro forma NA per Share as at 30 September 2023 after our Bonus Issue of Shares but before our Public Issue	(1) [●]
Decrease in pro forma NA per Share after adjusting for the Public Issue and utilisation of proceeds	[●]
Pro forma NA per Share after our IPO and utilisation of proceeds	(2) [●]

#### 4. DETAILS OF OUR IPO (CONT'D)

	RM
<u>Dilution effects after our IPO</u>	
Dilution in NA per Share to new investors	(2) [●]
Dilution in NA per Share to new investors as a percentage of our IPO Price	[●]%

**Notes:**

(1) Calculated based on the total number of 360,000,000 Shares after the completion of the Bonus Issue of Shares and before our IPO.

(2) Calculated based on the total number of 430,000,000 Shares after the completion of our Listing.

Further details of our Group's pro forma NA per Share as at 30 September 2023 are set out in Section 12.16 of this Prospectus.

Save as disclosed below, there has been no acquisition of any of our Shares by our Promoters, substantial shareholders, Directors, key senior management or persons connected with them, or any transaction entered into by them which grants them the right to acquire any of our Shares since our incorporation up to the LPD:

Name	(1) No. of Shares before our IPO	No. of Shares from our IPO	Total consideration (RM)	Average effective cost for each Share (RM)
<b>Promoters, Directors and substantial shareholders</b>				
Ting Ing Thai	19,800,000	-	220,000	0.01
Dato Richard Wee	2,100,000	-	350,000	0.17
<b>Promoters and substantial shareholders</b>				
BNDM	146,400,000	-	16,370,000	0.11
Lim Ah Ted	94,500,000	-	1,250,000	0.01
<b>Promoter</b>				
Ting Ing Soon	9,000,000	-	100,000	0.01
<b>Promoters and key senior management</b>				
Lim Hang Min	2,400,000	(2) 200,000	[●]	[●]
Brandon Wee Wei Xuan	600,000	(2) 200,000	[●]	[●]
Terence Lim Tze Yung	-	(2) 200,000	[●]	[●]
<b>Substantial shareholder</b>				
Tan Chiew Ting	27,000,000	-	300,000	0.01
<b>Independent Non-Executive Directors</b>				
Chin Mui Khiong	300,000	(2) 300,000	[●]	[●]
Lim Kuan Yew	-	(2) 300,000	[●]	[●]
Junijah binti Ismail	-	(2) 300,000	[●]	[●]
<b>Key senior management</b>				
Tay Pick Chong	600,000	(2) 200,000	[●]	[●]
Ho Mui Siok	300,000	(2) 200,000	[●]	[●]
Justin Ho Tze Shiuan	240,000	(2) 200,000	[●]	[●]
Lim Kok Cheng	-	(2) 200,000	[●]	[●]
<b>New investors</b>				
Public issue	-	67,700,000	[●]	[●]

**Notes:**

(1) Number of Shares after completion of the Bonus Issue of Shares and before our IPO.

(2) Assuming all the Pink Form Shares are fully subscribed.

#### 4. DETAILS OF OUR IPO (CONT'D)

##### 4.8 UTILISATION OF PROCEEDS

Based on the IPO Price of RM[●], the total gross proceeds of RM[●] million from the Public Issue will be utilised by our Group in the following manner:

Description of utilisation	Amount of proceeds		Estimated timeframe for utilisation upon Listing
	RM'000	%	
Expansion of warehouse facility	[●]	[●]	Within 24 months
Working capital	[●]	[●]	Within 24 months
Estimated listing expenses	[●]	[●]	Immediate
<b>Total</b>	<b>[●]</b>	<b>100.00</b>	

##### 4.8.1 Expansion of warehouse facility

We have allocated RM[●] million representing [●]% of the gross proceeds from the Public Issue for the expansion of warehouse facility that will serve as an additional distribution centre for our Group and is expected to cater for the expansion of our Group's products.

As at the LPD, our Group is still in the midst of identifying a suitable location for the acquisition of a new industrial land for the purpose of the expansion by way of constructing a new warehouse facility. The location of the new industrial land to be acquired is anticipated to be within 10km radius from our Group's current office cum warehouse situated at Lot 919. The size of the new industrial land is expected to be between 1 to 2 acres. Our Group has estimated the cost of the new industrial land to not exceed RM8.00 million and the construction cost to be approximately RM6.00 million and with that an additional 1,500 pallet space will be added to the current 2,588 pallet space in the Warehousing Facilities in Kuching. In the event of a shortfall to cover the total cost of acquisition and construction, our Group will finance the difference via bank facilities and / or internally generated funds. The proportion of bank facilities and / or internally generated funds will be dependent on the existing financing capacity and cash and bank balances at the point of utilisation, which our Group is unable to determine at this juncture.

Our Company will make the necessary announcements in accordance with the LEAP Market Listing Requirements (before completion of the Listing) or the ACE Market Listing Requirements (after completion of the Listing) (if required) as and when our Group enters into any agreement to acquire the new industrial land. If the shareholders' approval and / or other regulatory approvals are required, the necessary approvals will be sought.

##### 4.8.2 Working capital

We have allocated RM[●] million representing [●]% of the gross proceeds from the Public Issue for the day-to-day operations of our Group, including but not limited to, staff related expenses, payments to suppliers and general expenses (such as utilities charges and repair & maintenance). The proposed allocation of the proceeds for the working capital requirements is set out below:

Details	Amount of proceeds	
	RM'000	% of total proceeds
Payments to suppliers	<sup>(1)</sup> [●]	[●]
Staff related expenses	<sup>(2)</sup> [●]	[●]
General expenses	<sup>(3)</sup> [●]	[●]
<b>Total</b>	<b>[●]</b>	<b>[●]</b>

#### 4. DETAILS OF OUR IPO (CONT'D)

**Notes:**

- (1) *The allocated amount will be used as payment to our suppliers for the purpose of purchasing inventories for our range of Frozen and Chilled Food Products which includes, but are not limited to frozen beef, frozen buffalo meat, frozen lamb and mutton to support our business growth.*
- (2) *The allocated amount is for the payment of staff salaries and staff allowances of our Group.*
- (3) *Comprising, amongst others, utilities charges and repair & maintenance.*

#### 4.8.3 Estimated listing expenses

We have allocated RM[●] million representing [●]% of the gross proceeds from the Public Issue to meet the estimated cost of our Listing, details of which are as follows:

Estimated listing expenses	Amount of proceeds	
	RM'000	% of total proceeds
Professional fees <sup>(1)</sup>	[●]	[●]
Brokerage and underwriting fees	[●]	[●]
Regulatory fees	[●]	[●]
Printing, advertising and other miscellaneous expenses	[●]	[●]
<b>Total</b>	<b>[●]</b>	<b>[●]</b>

**Note:**

- (1) *Includes fees for the Principal Adviser, Solicitors, Reporting Accountants, Independent Market Researcher, Issuing House and other professional advisers.*

In the event the actual proceeds utilised for the listing expenses is lower than the allocation of RM[●] million, the excess will be used for the expansion of warehouse facilities and working capital expenses. Any excess amount required for the listing expenses will be funded from internally generated funds and / or bank borrowings.

Pending the utilisation of the proceeds for the abovementioned purposes, the proceeds raised will be placed in deposits with licensed financial institution(s) or short-term money market instruments as our Board deems fit. Any interest income earned from such deposits or gains arising from the short-term money market instruments will be used to meet the working capital requirements (including but not limited to those as set out in Section 4.8.2 above) of our Group.

#### 4.9 UNDERWRITING COMMISSION, BROKERAGE AND PLACEMENT FEES

##### 4.9.1 Underwriting commission

Kenanga IB, as our Underwriter, has agreed to underwrite 8,600,000 Public Issue Shares made available for application by the Malaysian Public and 7,650,000 Pink Form Shares made available to the Eligible Persons as set out in Sections 4.3.1(i) and 4.3.1(ii) of this Prospectus. We will pay our Underwriter an underwriting commission at the rate of [●]% of the total value of the underwritten Shares based on the IPO Price.

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#### **4. DETAILS OF OUR IPO (CONT'D)**

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##### **4.9.2 Brokerage fee**

We will pay brokerage at the rate of [●]% on the IPO Price in respect of all successful applications that bear the stamp of either Kenanga IB, the participating organisations of Bursa Securities, the members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association or the Issuing House.

##### **4.9.3 Placement fee**

Our Placement Agent has agreed to place out 53,750,000 IPO Shares to Bumiputera investors approved by the MITI. We are obliged to pay our Placement Agent for the Public Issue Shares allocated for private placement comprising:

- (i) management fees of [●]%; and
- (ii) placement fee of [●]%,

both of which are computed based on the value of Shares placed out to Bumiputera investors approved by the MITI at the IPO Price.

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

[●]

#### **4.11 TRADING AND SETTLEMENT IN SECONDARY MARKET**

Upon our Listing, our Shares will be traded through Bursa Securities and settled by book-entry settlement through the CDS (which is operated by Bursa Depository). This will be effected in accordance with the Rules of Bursa Depository and the provisions of the SICDA. Accordingly, our Company will not deliver share certificates to the subscribers of our IPO Shares.

Beneficial owners of our Shares are required under the Rules of Bursa Depository to maintain our Shares in CDS Accounts, either directly in their name or through authorised nominees. Persons whose names appear in the Record of Depositors maintained by Bursa Depository will be treated as the shareholders of our Company in respect of the number of Shares credited to the respective CDS Accounts.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS Account being debited with the number of Shares sold and the buyer's CDS Account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis, although there is a nominal transfer fee of RM10 payable for each transfer not transacted on the market.

All Shares held in CDS Accounts may not be withdrawn from the CDS except in the following instances:

- (i) to facilitate a share buy-back;
- (ii) to facilitate a conversion of debt securities;
- (iii) to facilitate company restructuring process;
- (iv) where a body corporate is removed from the Official List of Bursa Securities;
- (v) to facilitate a rectification of any error; and
- (vi) in any other circumstances as determined by Bursa Depository from time to time.

**4. DETAILS OF OUR IPO (CONT'D)**

Trading of shares of companies listed on Bursa Securities is normally done in “board lots” of 100 shares. Investors who desire to trade less than 100 share will trade under the odd lot board. Settlement of trade done on a “ready” basis on Bursa Securities generally takes place on the 2<sup>nd</sup> Market Day following the transaction date, and payment for the securities is generally settled on the 2<sup>nd</sup> day Market Day following the transaction date.

It is expected that our IPO Shares will not commence trading on Bursa Securities until about 10 Market Days after the close of the Retail Offering. Holders of our Shares will not be able to sell or otherwise deal in our Shares (except by way of a book-entry transfers to other CDS Accounts in circumstances which do not involve a change in beneficial ownership) prior to the commencement of trading on Bursa Securities.

**4.12 DETAILS OF OUR PREVIOUS PROPOSAL****Initial Public Offering on the LEAP Market of Bursa Securities**

On 30 November 2018, our Company had issued an Information Memorandum for the public issue of 13,140,000 new ordinary Shares, representing 10.95% of the enlarged Shares of our Company at an issue price of RM0.50 per Share by way of private placement to sophisticated investors which amounted to RM6.57 million.

On 16 January 2019, our Company was listed on the LEAP Market of Bursa Securities which entails the listing of and quotation of its enlarged issued share capital of RM59.87 million (after deducting RM0.13 million in relation to share issue expenses) comprising 120,000,000 Shares.

**(i) Utilisation of proceeds**

The details and status of the utilisation of proceeds from our listing on the LEAP Market of Bursa Securities are as follows:

	Amount raised RM'000	Utilisation as at the LPD RM'000	Balance RM'000	Completion date
Construction of Warehousing Facilities <sup>(1)</sup>	3,500	3,500	-	August 2019
Working capital <sup>(2)</sup>	1,970	1,970	-	June 2019
Estimated listing expenses <sup>(3)</sup>	1,100	1,100	-	February 2019
<b>Total</b>	<b>6,570</b>	<b>6,570</b>	<b>-</b>	

**Notes:**

- (1) *The proceeds were used to part finance the construction of a new Warehousing Facilities comprising a 3-storey office cum warehouse with a total cost of RM13.00 million. The total cost of RM13.00 million was subsequently revised to RM13.14 million via variation orders. The balance amount of RM9.64 million was sourced from bank facilities (RM5.54 million) and internally generated funds (RM4.10 million). The cost includes warehouse, cold storage facilities (such as freezer and chiller room to store Frozen and Chilled Food Products), office, loading and unloading bay as well as a fully-equipped kitchen.*

**4. DETAILS OF OUR IPO (CONT'D)**

The Warehousing Facilities were built on the identified land owned by our Company's subsidiary, SCS, which is located at Demak Laut Industrial Park in Kuching, measuring approximately 7,720 square metres and described as Lot 842. The location of this land is adjacent to our Group's current office cum warehouse situated at Lot 919.

The new warehouse was completed on 14 August 2020 (within 24 months of listing on LEAP Market of Bursa Securities) and our Company has obtained all the necessary permits, such as Occupation Permit. The proceeds were used based on stages of completion and the last payment was made in August 2019.

- (2) The proceeds of RM1.97 million were intended to be used for the day-to-day operations of our Group, which included but are not limited to, staff related expenses, payments to suppliers and other creditors, and general expenses such as utilities charges, administrative expenses and other operating expenses are as follows:

<b>Purpose</b>	<b>RM'000</b>
Payment for staff related expenses and trade related creditors	550
Repayment of trade line facility, finance costs and bank charges in relation to bank facilities for operations	1,420
<b>Total</b>	<b>1,970</b>

The proceeds have been utilised progressively and the last proceeds was utilised in June 2019, which is within 12 months of the listing in the LEAP Market of Bursa Securities.

- (3) The proceeds allocated for the listing expenses include professional fees, fees payable to relevant authorities and other miscellaneous expenses in relation to the listing on the LEAP Market of Bursa Securities are as follows:

<b>Estimated listing expenses</b>	<b>RM'000</b>
Professional fees (include advisory fee from Principal Adviser, Legal Adviser, Reporting Accountants, Market Researcher and Valuers)	850
Regulatory fees (include processing fee, initial listing fee and lodgement fee)	15
Placement fee for Sophisticated Investors	143
Miscellaneous fee (printing, travelling expenses, etc)	92
<b>Total</b>	<b>1,100</b>

As at the LPD, our Company has fully utilised the proceeds raised via our listing on the LEAP Market of Bursa Securities.



#### 4. DETAILS OF OUR IPO (CONT'D)

##### (ii) Business plans

The details and status of our Group's business plans as disclosed in the Information Memorandum are as set out below:

<b>Section in the Information Memorandum</b>	<b>Disclosures in the Information Memorandum</b>	<b>Current status</b>
<p><u>Section 4.17 (i)</u></p> <p>Construction of New Warehousing Facilities</p>	<p>We aim to construct new warehousing and cold storage facility that will serve as a main distribution centre for the Group and is expected to cater for the expansion of the Group's products. The new warehousing and cold storage facility will be built on an existing vacant industrial land described as Lot 842.</p> <p>The current warehousing and cold storage facilities is operating at almost full capacity, resulting in the need to rent additional storage space to store the products which increases our expenses and reduces operational efficiency. The new warehousing facilities will include a new warehousing area, cold storage facilities (such as freezer and chiller room to store frozen and chilled food), office, loading and unloading bay as well as a fully-equipped kitchen which is to be used for marketing activities such as cooking demonstrations to our customers. The built-up area of the warehousing facilities is approximately 2,000 square metres.</p> <p>The Group had submitted a development plan to the local authority for the construction of the new warehousing facilities and the formal approval dated 13 June 2018 for the proposed construction has been obtained from the Land and Survey Department, Kuching Division. The total cost of the construction of new warehousing facilities is estimated at RM13.0 million. Of the RM13.0 million, we intend to utilise RM3.5 million from the Excluded Issue proceeds to fund part of the construction cost while the remaining balance will be funded through our internally generated funds and / or bank borrowings.</p>	<p>Our Group has constructed new Warehousing Facilities at Lot 842 comprising a 3-storey office cum warehouse at Demak Laut, Kuching, with a built up area of approximately 3,226.20 square metres with the capacity of 1,536 pallet space. There was an increase in the built up area by 1,226.20 square metres from the initial plan of approximately 2,000 square metres due to extension at the back of the building for the storage of the cold room facilities.</p> <p>The actual construction cost of the new Warehousing Facilities was initially at RM13.00 million, which was subsequently revised to RM13.14 million via variation orders, in which RM3.50 million was financed using the proceeds raised arising from our listing on the LEAP Market of Bursa Securities and the balance amount of RM9.64 million was financed using bank facilities (RM5.54 million) and internally generated funds (RM4.10 million).</p> <p>The construction of the new Warehousing Facilities was completed and the completed facilities were handed over to our Group on 26 October 2020. Subsequently, our Group has commenced operations in this new Warehousing Facilities after 6 May 2021.</p> <p>Pursuant to the completion of the construction, the Warehousing Facilities in Kuching have been expanded from 1,052 pallet space to 2,588 pallet space.</p>
<p><u>Section 4.17 (ii)</u></p> <p>Expanding Product Range</p>	<p>The Group intends to secure new agency rights as part of its efforts to introduce new products that are in line with customers' needs. The expansion will involve securing rights for local and overseas products that complement the current product offerings. The product range expansion will also include the sourcing and securing of agency rights for alternative products, such as blended butter, which are priced lower than butter, to provide the customers with additional choices</p>	<p>Since our listing on the LEAP Market of Bursa Securities and up to the LPD, our Group has added 30 new brands to our range of product for distribution, among others "Nippy's", "Eden Duck", "Tyson", etc. Out of these 30 new brands, we have secured 12 agency rights. These agency rights allow our Group to distribute Frozen and Chilled Food Products (such as frozen further processed products, frozen pastries,</p>

#### 4. DETAILS OF OUR IPO (CONT'D)

**Section in the Information Memorandum**

**Disclosures in the Information Memorandum**

**Current status**

with different pricing. One successful example of the product range expansion includes securing the rights to distribute dry F&B products in Sri Aman and its surrounding areas, which increases the type of dry F&B products that we currently offer.

cheese), Ambient F&B Products (noodles, sauces, syrup) and Non-F&B Products (such as cleaning and hygiene). Some of these agency rights are effective indefinitely until otherwise notified by either party, and some agency rights have an effective period of between 1 to 5 years, thereafter will be renewed automatically or upon mutual agreement between parties.

Previously, our Group has secured the rights to distribute dry F&B products in Sri Aman and its surrounding areas on 9 April 2018. The timeframe for rights to distribute does not have an expiry. However, the rights to distribute dry F&B Products in Sri Aman and its surrounding areas was subsequently discontinued by SFS with effect from 1 July 2019. The discontinuation has no material impact to the business operations and financial performance of our Group.

Section 4.17 (iii)

Expanding Distribution Network

The Group's warehousing and distribution facilities are currently located in Kuching and Miri. As part of SCRB's expansion plan, the Group intends to increase the number of distribution network in selected districts in Sarawak in order to have its own distribution network for improved distribution efficiency and at the same time, reduce dependency on distributors. The Group is currently exploring the possibilities of expanding its distribution network to Sibul and Bintulu, two (2) districts that are located in the middle of the State of Sarawak. The expansion of the distribution network will be achieved via acquisition of suitable distributors in the two (2) identified districts or by establishing a distribution network in the said districts.

Since our listing on the LEAP Market of Bursa Securities, our Group has been continuously looking out for suitable companies to acquire for our distribution network. However, as at the LPD, discussions had been held with a few entities for the acquisitions of distribution networks in Sibul and Bintulu, but suitable acquisitions have not materialised.

Although there are no suitable acquisitions thus far, the plan for establishing a distribution network in the said districts still remains as this is one of the strategies that our Group intends to undertake moving forward to ensure sustainable growth and it will also help in improving our distribution efficiency and the reach of products that we currently distribute. Currently, the distribution business in Sibul and Bintulu continues to be serviced by our strategic partners, namely Fortune Supreme Food Supply (Sibul) Sdn Bhd and Supreme Food Supply (Bintulu) Sdn Bhd. Please refer to Section 7.8.1 for further information on the strategic partners of our Group.