

2. PROSPECTUS SUMMARY

This Prospectus Summary only highlights the key information from other parts of this Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Prospectus prior to deciding on whether to invest in our Shares.

2.1 PRINCIPAL DETAILS OF OUR IPO

The following details relating to our IPO are derived from the full text of this Prospectus and should be read in conjunction with that text.

	Public Issue		Offer for Sale		Total	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(1)%
Malaysian Public ⁽²⁾	25,000,000	5.0	-	-	25,000,000	5.0
Pink Form Allocations	12,500,000	2.5	-	-	12,500,000	2.5
Private placement to MITI approved Bumiputera investors	62,500,000	12.5	-	-	62,500,000	12.5
Private placement to selected investors	-	-	50,000,000	10.0	50,000,000	10.0
	100,000,000	20.0	50,000,000	10.0	150,000,000	30.0

Enlarged number of Shares upon Listing	500,000,000
IPO Price per Share	RM[●]
Market capitalisation upon Listing (based on our IPO Price and enlarged number of Shares upon Listing)	RM[●]

Notes:

- (1) Based on our enlarged share capital of 500,000,000 Shares after IPO.
- (2) 12,500,000 Shares will be set aside for Bumiputera public investors.

Further details of our IPO are set out in Section 4.

Ong Legacy's entire shareholdings after our IPO will be held under moratorium for 6 months from the date of our admission to the Main Market. In addition, the shareholders of Ong Legacy, namely Ong Boon Leng, Lim Suk Gen, Ong Keat Qian and Ong Keat Hoe, all of whom are our Promoters and substantial shareholders, have also provided their written undertakings not to sell, transfer or assign their shareholdings in Ong Legacy for 6 months from the date of our admission to the Main Market.

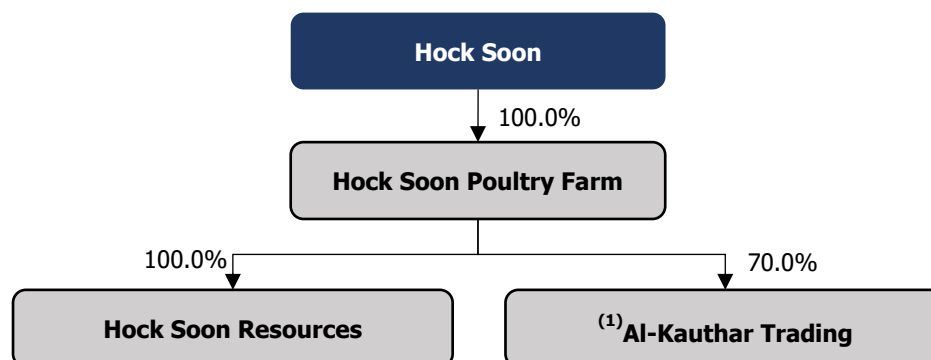
Further details on the moratorium on our Shares are set out in Section 3.2.

2.2 GROUP STRUCTURE, BUSINESS MODEL AND OPERATIONAL HIGHLIGHTS

Our Company was incorporated in Malaysia under the Act on 26 November 2024 as a private limited company under the name of Hock Soon Capital Sdn Bhd. On 17 March 2025, our Company was converted into a public limited company and adopted our present name.

2. PROSPECTUS SUMMARY (Cont'd)

Our Group structure as at LPD is as follows:



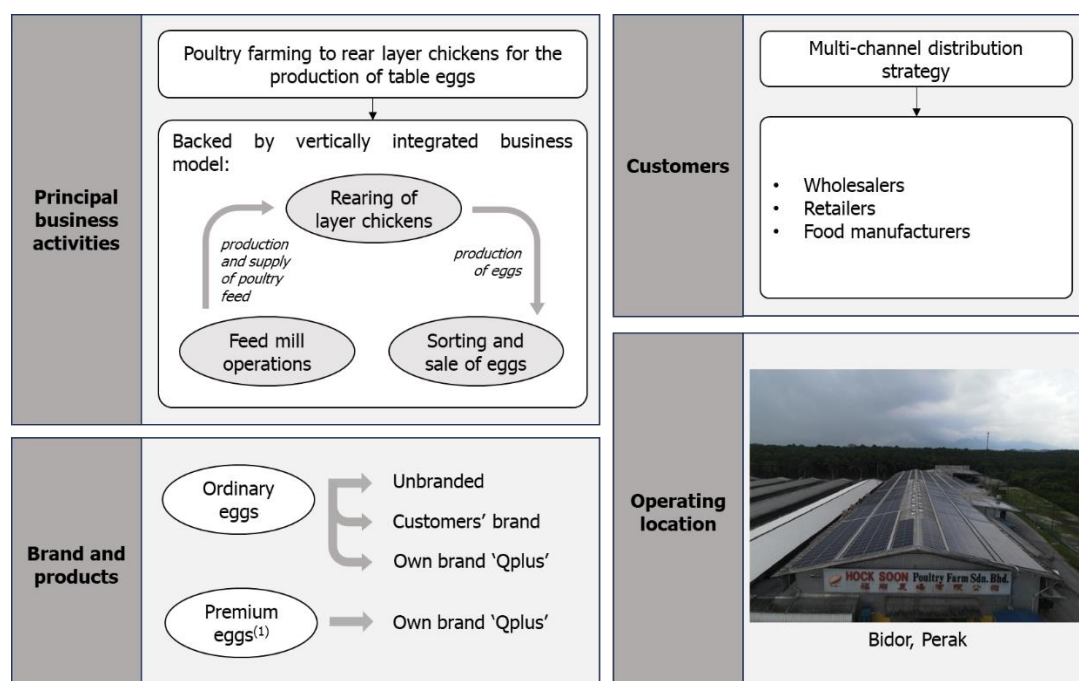
Note:

- (1) The remaining 30% equity interest in Al-Kauthar Trading is held by Mohamad Harasul Bin Harith Fadzilah. He is a director of Al-Kauthar Trading. He is responsible for the sales activities of Al-Kauthar Trading.

Further details of our Group structure are set out in Section 6.3.

Our Company is principally an investment holding company. Through our subsidiaries, we are principally involved in poultry farming, whereby we rear layer chickens for the production and sale of table eggs.

Our Group's business model is as follows:



Note:

- (1) Mainly comprises premium eggs labelled under our house-brand 'QPlus'. We also sell premium eggs labelled under a Hong Kong customer's brand.

Further details of our Group and our business model are set out in Sections 6 and 7.

2. PROSPECTUS SUMMARY (Cont'd)

The breakdown of our Group's revenue segmentation by principal business activities for FYE 2022 to FYE 2024 are as follows:

	FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%
Table eggs	125,412	93.5	139,232	95.2	143,798	95.0
Ordinary eggs	125,412	93.5	130,378	89.2	137,539	90.9
Unbranded ⁽¹⁾	107,398	80.0	112,564	77.0	121,011	80.0
Customers' brand	11,849	8.9	8,564	5.9	10,472	6.9
Own brand	6,165	4.6	9,250	6.3	6,056	4.0
Premium eggs ⁽²⁾	-	-	8,854	6.0	6,259	4.1
Others⁽³⁾	8,766	6.5	7,019	4.8	7,579	5.0
	134,178	100.0	146,251	100.0	151,377	100.0

Notes:

- (1) Includes soiled, spotted, cracked or broken eggs that are sold in the form of liquid eggs in bags.
- (2) Comprise premium eggs labeled under our house-brand 'QPlus' and under a Hong Kong customer's brand. Sale of premium eggs under the Hong Kong customer's brand amounted to RM1.0 million for both FYE 2023 and 2024.
- (3) Comprises revenue generated from the sale of spent chickens, chicken manure, raw materials, scrap materials and handling charges.

The breakdown of our Group's revenue segmentation by geographical region⁽¹⁾ is as follows:

	FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%
Malaysia	129,240	96.3	144,572	98.9	150,191	99.2
Central ⁽²⁾	78,655	58.6	91,708	62.7	103,329	68.2
Northern ⁽³⁾	42,975	32.0	47,964	32.8	39,495	26.1
Southern ⁽⁴⁾	6,461	4.8	4,157	2.9	6,462	4.3
Eastern ⁽⁵⁾	1,149	0.9	743	0.5	905	0.6
Overseas	4,938	3.7	1,679	1.1	1,186	0.8
Hong Kong	4,938	3.7	1,679	1.1	1,186	0.8
	134,178	100.0	146,251	100.0	151,377	100.0

Notes:

- (1) The classification of our revenue by geographical region is based on the locations of our customers.
- (2) Central region comprises Selangor, Kuala Lumpur and Putrajaya.
- (3) Northern region comprises Perlis, Kedah, Penang and Perak.
- (4) Southern region comprises Negeri Sembilan, Malacca and Johor.
- (5) Eastern region comprises Pahang, Kelantan and Terengganu.

Further details on the breakdown of our revenue are set out in Section 12.2.2.

2. PROSPECTUS SUMMARY (Cont'd)

Since the commencement of our poultry farming business in 1979, we have successfully expanded our poultry farming operations in our Bidor Integrated Farm. As at LPD, we have 26 and 7 closed-house chicken coops for mature hens and pullets respectively, with a capacity to accommodate 1,740,864 mature hens and 486,912 pullets respectively. As at LPD, our egg production capacity stood at approximately 1,480,000 eggs per day.

2.3 INTERRUPTIONS IN BUSINESS

Our Group did not experience any material interruptions which had a significant effect on our operations during the past 12 months preceding the LPD.

2.4 COMPETITIVE STRENGTHS

Our Directors believe that our business sustainability and future growth is built on the following competitive strengths:

- (a) Our Group has been involved in the layer poultry industry spanning approximately 46 years. Over the years, we have scaled up our business by enhancing our operational efficiencies through the transition from traditional open-house chicken coops to closed-house chicken coops whereby we have automated various functions such as feeding, egg collection and manure disposal processes; as well as through the automation of our egg grading and sorting process;
- (b) Our business operations are largely automated which have contributed to greater operational efficiency in our poultry farming operations and simultaneously reduce reliance on human labour, which translates to improved accuracy and reliability, as well as cost savings for our Group;
- (c) We possess a vertically integrated business model which enables us to better control the cost and quality of our poultry feed and table eggs. It also enables us to control the raw materials and ingredients used in the production of poultry feed, as well as our operational cost in running our poultry farming business;
- (d) Our business is resilient to economic downturns as eggs are staple foods widely consumed by individuals as well as in the F&B business. Further, our business demonstrates sustainability, and we are well-positioned for future growth leveraging on the continuous demand for food and the need to strengthen food security in the country; and
- (e) Our Group is led by our Executive Directors and experienced and technically skilled management team that has accumulated years of industry experience and in-depth knowledge of our business operations. Their hands-on involvement in our Group demonstrates their strong commitment to our growth as we continue to expand.

Further details of our competitive strengths are set out in Section 7.17.

2. PROSPECTUS SUMMARY (Cont'd)

2.5 BUSINESS STRATEGIES

Our business objectives are to maintain sustainable growth in our business and create long term shareholder value. To achieve our business objectives, we will implement the following business strategies over the period of 60 months from the date of our Listing:

- (a) We intend to expand our poultry farming business by setting up a new poultry farm at the Teluk Intan Lands. We intend to gradually set up 25 closed-house chicken coops at the new poultry farm at the Teluk Intan Lands. Upon completion of this new poultry farm, our Group's total egg production capacity is expected to increase. Further, we intend to set up 2 egg grading and sorting lines with a grading and sorting capacity of 96,000 eggs per hour, as well as to expand our feed mill operations at our Bidor Integrated Farm to support the increased consumption of poultry feed arising from the expansion of the chicken coops at the Teluk Intan Lands;
- (b) We intend to actively expand our customer base by making our products more accessible to consumers through strengthening our distribution network and establishing more distribution channels in more wet markets, mini markets, sundry shops and grocery chain-stores. As we continue to expand our customer base, our financial performance is expected to improve in tandem, and we will be able to increase our exposure to attract consumers in purchasing our eggs, thereby strengthening our market position in the layer poultry industry; and
- (c) Leveraging on our established presence and success as well as approximately 46 years of operational experience in Malaysia, we believe that we are ready to take a leap to expand our sales to Singapore.

Further details of our business strategies and future plans are set out in Section 7.18.

2.6 RISK FACTORS

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, the risk factors as set out in Section 9. Some of the more important risk factors are summarised below:

- (a) We are exposed to outbreaks of poultry livestock infections and diseases, which could adversely affect our business operations and financial performance at our Bidor Integrated Farm;
- (b) We may not be able to sustain our financial performance and profitability following the removal of price controls and subsidies of ordinary eggs by the Government. Our financial performance may be affected in view of the absence of egg subsidies and the fluctuation in egg prices if we are unable to raise egg prices to recover our profitability;
- (c) Any material fluctuations in the prices of raw materials and ingredients particularly commodity products used in the production of our in-house poultry feed (e.g. maize, soybean meal, wheat, pollard and sunflower meal) may affect our profitability if we are unable to adjust the price of our table eggs to reflect the increase in costs;
- (d) Our business is exposed to various operational risks including fire, natural disasters, equipment failures, outbreak of infectious diseases and power outage, which may be beyond our control and may lead to interruptions to our operations. In the event that we have to temporarily halt our business operations due to the abovementioned incidences, our Group's operations and financial performance may be adversely affected;

2. PROSPECTUS SUMMARY (Cont'd)

- (e) We are exposed to the risks of product contamination, which may result in product liability claims and regulatory actions. As an egg producer, our table eggs are subject to various hygiene and food safety standards. Any contamination in our table eggs could render them unsafe for consumption, which will have an adverse impact on our reputation and may also expose us to financial losses arising from product liability claims from consumers. This may also prompt inspections or regulatory actions by authorities, potentially resulting in monetary fines and/ or the temporary closure of our operations for cleaning and sanitation, which could materially and adversely affect our business operations and financial performance;
- (f) We are dependent on our key management team for continued success and growth of our business. Any significant or sudden loss of the services of our Executive Directors and/or key senior management without suitable replacement in a timely manner, or our inability to attract and retain qualified and competent personnel, may have an adverse impact on our Group's business operations and may eventually affect our ability to maintain and/ or improve our business performance;
- (g) We are exposed to the risk of supplier concentration for the supply of raw materials and ingredients, as well as day-old-chicks. In the event that any supplier ceases the supply of raw materials and ingredients as well as day-old-chicks to our Group and we are unable to secure new suppliers in a timely manner and/or on commercially acceptable terms, our poultry feed and egg production may be disrupted, and thus materially and adversely affect our business operations and financial performance;
- (h) We rely on certain licences, permits and approvals. Any such failure to secure renewal or obtain the required licences, permits or approvals would adversely affect our financial performance, results of operations and prospects; and
- (i) We are indirectly exposed to foreign exchange fluctuation risks which may impact the profitability of our Group as the raw materials and ingredients used for the production of poultry feed are generally imported by our local suppliers.

Further details of our risk factors are set out in Section 9.

2.7 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors and key senior management are as follows:

Name	Designation
Directors	
Datuk Seri Nurmala Binti Abd Rahim	Independent Non-Executive Chairperson
Ong Boon Leng	Managing Director
Lim Suk Gen	Executive Director
Ong Keat Qian	Executive Director
Ong Keat Hoe	Executive Director
Pook Kim Nyeon	Independent Non-Executive Director
Chang Lih Yik	Independent Non-Executive Director
Tan Phaik Yen	Independent Non-Executive Director
Key senior management	
Choong Chyan Leong	Chief Financial Officer
Lee Swet Mei	Head of Sales
Dr. Sharifah Nurul Hanim Binti Sy Ibrahim	Veterinarian

Further details of our Directors and key senior management are set out in Section 5.

2. PROSPECTUS SUMMARY (Cont'd)

2.8 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

The shareholdings of our Promoters and substantial shareholders in our Company before and after the Share Transfer and IPO are set out below:

Name	Place of incorporation/ Nationality	Before Share Transfer and IPO				After Share Transfer and IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Ong Legacy	Malaysia	-	-	-	-	350,000,000	70.0	-	-
Ong Boon Leng	Malaysian	255,636,700	63.9	-	-	-	-	(3)350,000,000	70.0
Lim Suk Gen	Malaysian	64,363,300	16.1	-	-	-	-	(3)350,000,000	70.0
Ong Keat Qian	Malaysian	40,000,000	10.0	-	-	-	-	(3)350,000,000	70.0
Ong Keat Hoe	Malaysian	40,000,000	10.0	-	-	-	-	(3)350,000,000	70.0

Notes:

(1) Based on our share capital of 400,000,000 Shares after Acquisition of Hock Soon Poultry Farm but before IPO.

(2) Based on our enlarged share capital of 500,000,000 Shares after IPO.

(3) Deemed interested by virtue of their shareholdings in Ong Legacy pursuant to Section 8(4) of the Act.

Further details of our Promoters and substantial shareholders are set out in Section 5.

2. PROSPECTUS SUMMARY (Cont'd)**2.9 UTILISATION OF PROCEEDS**

The estimated gross proceeds from our Public Issue of RM[•] million will accrue entirely to us and are planned to be utilised in the following manner:

Utilisation of proceeds	RM'000	%	⁽¹⁾Estimated timeframe for utilisation
Establishment of new poultry farm at the Teluk Intan Lands	[•]	[•]	Within 60 months
Estimated listing expenses	[•]	[•]	Within 1 month
	[•]	100.0	

Note:

⁽¹⁾ From the date of our Listing.

There is no minimum subscription to be raised from IPO.

Detailed information on our utilisation of proceeds is set out in Section 4.9.

The gross proceeds from the Offer for Sale of approximately RM[•] million shall accrue entirely to the Selling Shareholders.

2.10 FINANCIAL HIGHLIGHTS**2.10.1 Consolidated statement of profit or loss and other comprehensive income**

The following table sets out the financial highlights based on our consolidated statement of profit or loss and other comprehensive income for FYE 2022 to 2024:

	Audited		
	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000
Revenue ⁽¹⁾	134,178	146,251	151,377
GP	23,373	41,126	58,828
PAT	14,545	34,243	40,743
GP margin (%) ⁽²⁾	17.4	28.1	38.9
PAT margin (%) ⁽³⁾	10.8	23.4	26.9
Basic EPS (sen) ⁽⁴⁾	3.6	8.6	10.2
Diluted EPS (sen) ⁽⁵⁾	2.9	6.8	8.1
Results after adjusting for government subsidies			
Government subsidies received ⁽⁶⁾	7,254	20,971	32,079
Adjusted GP	16,119	20,155	26,749
Adjusted PAT	9,032	18,305	16,363
Adjusted GP margin (%) ⁽⁶⁾	12.0	13.8	17.7
Adjusted PAT margin (%) ⁽⁶⁾	6.7	12.5	10.8
Results after adjusting for government subsidies and fair value gain on biological assets			
Gain on change in fair value of biological assets ⁽⁷⁾	2,525	17,417	5,763
Adjusted PAT ⁽⁷⁾	7,113	5,068	11,983
Adjusted PAT margin (%) ⁽⁷⁾	5.3	3.5	7.9

2. PROSPECTUS SUMMARY (Cont'd)**Notes:**

- (1) The sales volume and average selling price by type of eggs are as follows:

	FYE 2022	FYE 2023	FYE 2024
Table eggs			
Volume sold (eggs)	351,363,605	365,879,264	394,860,539
- ordinary eggs	351,363,605	351,034,239	384,475,599
- premium eggs	-	14,845,025	10,384,940
Average selling price (RM/egg)^(a)	0.36	0.38	0.36
- ordinary eggs ^(b)	0.36	0.37	0.36
- premium eggs ^(b)	-	0.60	0.60

Notes:

- (a) The average selling prices were computed based on the revenue from sales of table eggs divided by the sales volume of eggs for each financial year.
- (b) The average selling prices were computed based on the revenue from sales of ordinary eggs or premium eggs divided by the sales volume of ordinary eggs or premium eggs for each financial year.
- (2) GP margin is calculated based on GP divided by revenue.
- (3) PAT margin is calculated based on PAT divided by revenue.
- (4) Basic EPS is calculated based on PAT divided by enlarged share capital of 400,000,000 Shares before our IPO.
- (5) Diluted EPS is calculated based on PAT divided by enlarged share capital of 500,000,000 Shares after our IPO.
- (6) To retain the price control on eggs without compromising the profitability of egg producers in Malaysia, the Government has vide the DVS introduced a provision of subsidies to egg producers. Our Group recognised the subsidies on a receipt basis and offsets them with the cost of sales for each financial year. Further details are disclosed in Sections 12.1.1, 12.2.1(l)(i), 12.2.2(b) and 12.2.3 on the effect of excluding government subsidies while price control retained for our financial results for FYE 2022 to 2024. The adjusted margins are for illustration, assuming that government subsidies are removed but price control is retained.
- (7) Our biological assets comprise pullets and layers that are measured at fair value less cost to sell. Changes in fair value of the pullets and layers are recognised in profit or loss. Further details are disclosed in Sections 12.1.2, 12.2.1(l)(iv) and 12.2.2(c). The adjusted margins are for illustration, excluding the effects of the gains in fair value.

There were no exceptional or extraordinary items during FYE 2022 to 2024. In addition, the audited financial statements of our Group for FYE 2022 to 2024 were not subject to any audit qualifications. Further details on our financial information are set out in Sections 12 and 13.

2. PROSPECTUS SUMMARY (Cont'd)**2.10.2 Pro forma consolidated statement of financial position**

The following table sets out a summary of the pro forma consolidated statement of financial position of our Group based on our consolidated statement of financial position as at 30 September 2024 to show the effects of the adjustment for subsequent events, Acquisition of Hock Soon Poultry Farm, Public Issue and utilisation of proceeds. It is presented for illustrative purposes only and should be read together with the pro forma consolidated statement of financial position as set out in Section 14.

	Audited	I	II	III
	As at 30 September 2024	(1)After adjustment for subsequent events	After I and Acquisition of Hock Soon Poultry Farm	After II, Public Issue and utilisation of proceeds
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Total non-current assets	45,609	56,134	56,134	56,134
Total current assets	126,766	82,681	82,681	[•]
TOTAL ASSETS	172,375	138,815	138,815	[•]
Share capital	9,261	9,261	102,600	[•]
Merger reserve	-	-	(93,339)	(93,339)
Fair value reserve	2,940	2,940	2,940	2,940
Retained earnings	133,390	90,390	90,390	[•]
Equity attributable to owners of the Company	145,591	102,591	102,591	[•]
Non-controlling interests	30	30	30	30
TOTAL EQUITY	145,621	102,621	102,621	[•]
Total non-current liabilities	15,996	24,971	24,971	24,971
Total current liabilities	10,758	11,223	11,223	11,223
TOTAL LIABILITIES	26,754	36,194	36,194	36,194
TOTAL EQUITY AND LIABILITIES	172,375	138,815	138,815	[•]
No. of Shares in issue ('000)	9,156	9,156	400,000	500,000
NA per Share (RM)	15.9	11.2	0.3	[•]
Borrowings (excluding lease liabilities)	5,274	14,714	14,714	14,714
Gearing (times)	0.04	0.14	0.14	[•]

Note:

- (1) Being adjustment for the dividend paid of RM43.0 million, as set out in Sections 2.11 and 12.14 as well as acquisition of the Teluk Intan Lands, which was completed on 27 February 2025 pursuant to the sale and purchase agreements dated 23 December 2024 as set out in Sections 6.5(g) and (h).

2. PROSPECTUS SUMMARY (Cont'd)**2.10.3 Recent developments subsequent to track record period**

As announced by the Ministry of Agriculture and Food Security on 30 April 2025, the egg subsidy for ordinary eggs were reduced from RM0.10 to RM0.05 and the price control was removed effective 1 May 2025. Further, the Government has fully removed the egg subsidy effective 1 August 2025. Consequently, the price of our ordinary eggs is expected to follow market rates based on supply and demand conditions which would result in egg prices becoming more competitive. Despite the potential increase in the pricing of our ordinary eggs, we are unlikely to experience a decrease in consumer demand as eggs are staple foods widely consumed by individuals as well as in the F&B business. Please refer to Sections 7.3 and 9.1.2 for further details on the pricing and government subsidies as well as risk arising from the fluctuation in egg prices following the removal of price control and subsidies by the Government respectively. For information, we received RM7.3 million, RM21.0 million and RM32.1 million representing 50.3%, 61.4% and 78.9% of our PAT for FYE 2022 to FYE 2024 respectively. Please refer to Section 12.1 for further information on the contribution of subsidies to our financial performance.

2.11 DIVIDEND POLICY

Our Company presently does not have any formal dividend policy. It is our intention to pay dividends to shareholders in the future, however, such payments will depend upon a number of factors, including our Group's financial performance, capital expenditure requirements, general financial condition and any other factors considered relevant by our Board.

	FYE 2022	FYE 2023	FYE 2024	1 October 2024 up to LPD
	RM'000	RM'000	RM'000	RM'000
Dividends declared and paid	-	1,000	63,750	43,000

The above dividends were funded via internally generated cash. The dividends will not affect the execution and implementation of our future plans or business strategies. Together with the gross proceeds from our Public Issue, we believe that we have sufficient cash from operations and bank borrowings to fund our operations and expansion plans.

Further to the above, we have no intention to declare and pay any dividends subsequent to LPD, up to the completion of our Listing. Further details of our dividend policy are set out in Section 12.14.

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