

### 3. PROSPECTUS SUMMARY

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

#### 3.1 DETAILS OF OUR IPO

Subject to the terms and conditions set out in this Prospectus, our IPO of up to 300,123,000 IPO Shares, representing up to 29.4% of our enlarged total number of 1,020,823,025 Shares comprises:

- (i) the Institutional Offering at the Institutional Price to be determined by way of bookbuilding; and
- (ii) the Retail Offering at the Retail Price of RM[●] per Issue Share, payable in full upon application and subject to refund of the difference between the Retail Price and the Final Retail Price if the Final Retail Price is less than the Retail Price.

			Public Issue		Offer for Sale		Total	
			No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
<b>Retail offering</b>								
Malaysian Public (via balloting)								
- Bumiputera			10,208,300	1.0	-	-	10,208,300	1.0
- Non-Bumiputera			10,208,300	1.0	-	-	10,208,300	1.0
Eligible Persons			10,208,300	1.0	-	-	10,208,300	1.0
<b>Institutional offering</b>								
Institutional and selected investors			-	-	141,894,400	13.9	141,894,400	13.9
Identified Bumiputera investors approved by MITI			82,686,700	8.1	44,917,000	4.4	127,603,700	12.5
<b>Total</b>			<b>113,311,600</b>	<b>11.1</b>	<b>186,811,400</b>	<b>18.3</b>	<b>300,123,000</b>	<b>29.4</b>

Market capitalisation upon Listing (based on the Retail Price and our entire enlarged total number of issued Shares after our IPO) (RM) [●]

**Note:**

- (1) Computed based on our enlarged total number of 1,020,823,025 Shares after our IPO.

Please refer to Section 4.1 of this Prospectus for further details.

Our Shares directly held by OCSB as at the date of our Listing will be placed under moratorium for a period of six months from the date of our Listing. The moratorium shall also apply to the direct shareholders of OCSB (save for Saw Ee Chee), namely Dato' Saw and Saw Benson. Please refer to Section 2.2 of this Prospectus for further details.

#### 3.2 BUSINESS MODEL

Our Company was incorporated in Malaysia under the Act on 14 April 2025 as a private limited company under the name of Custom Food Holding Sdn Bhd.

We are principally a manufacturer of specialty food ingredients and food products (focusing on non-dairy creamers, functional lipid powders, as well as malt and cereal products), and are also involved in the supply of other food ingredients and food products that we purchase from third party suppliers. We also have a dedicated innovation centre to carry out our R&D activities to support our product development and business growth.

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Our business activities are as follows:



- Specialty food ingredients are refined or specially processed components used in food and beverage production to **provide specific functional, nutritional, sensory, or technological benefits**. They enable food manufacturers and foodservice operators to enhance food quality or modify its taste, performance or health attributes.
- We supply a range of food ingredients and food products which we do not manufacture and that are sourced from third party suppliers. This enables us to **provide convenience** to our existing customers and **attract new customers** by offering a wider range of related products.

#### (i) Manufacture of specialty food ingredients and food products

We manufacture specialty food ingredients and food products such as non-dairy creamers, functional lipid powders, as well as malt and cereal products. We collaborate with our customers to innovate and meet their specific requirements for a variety of applications, including bakery, beverage, confectionery, dairy and dairy alternatives, savoury and processed foods, as well as nutraceutical and health foods.

As at the LPD, our Kulim Factory houses four spray dryer facilities for the manufacturing of non-dairy creamers and functional lipid powders whilst our SJ Factory houses our vacuum belt dryer and two drum dryers for the manufacturing of malt products, and cereal products respectively.

At our Kulim Factory, we utilise Filtermat and multi-stage tall form spray drying systems to enhance our microencapsulation capabilities. As at the LPD, we operate three Filtermat spray drying systems for the production of (i) non-dairy creamers and (ii) functional lipid powders, including fat powders, nutritional lipid powders and flavours, with a fourth multi-stage tall form spray drying system scheduled to commence operations in the fourth quarter of 2025.

Our manufactured specialty food ingredients and food products are mainly formulated by our in-house R&D team at our innovation centre. As at the LPD, we have a team of 13 personnel who are directly involved in R&D activities at our innovation centre. Our innovation centre is equipped with two pilot-scale plants, and four application labs including a food service lab, a bakery lab, a savoury lab, and a flavouring lab.

#### (ii) Supply of other food ingredients and food products

The products that we supply mainly include (i) malt and cereal ingredients and products (such as instant oats, quick cooking oats, rolled oats, liquid and powdered malt extract, malt extract cereal, brown rice powder, and muesli); (ii) coffee, tea and cocoa products (such as instant coffee, instant tea, and cocoa powder); (iii) dairy and dairy alternatives (such as goat milk and soy milk powder); and (iv) sweeteners.

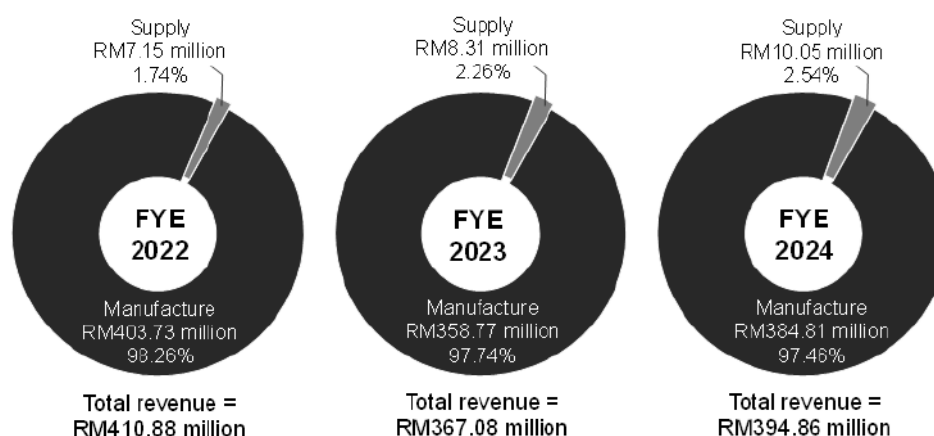
Activities related to the supply of other food ingredients and food products mainly involve (i) trading of food ingredients and food products in original packaging; (ii) repackaging bulk products into smaller pouches; and (iii) dry blending multiple ingredients into packaged food products.

As at the LPD, we serve customers in Malaysia as well as foreign countries in Asia, the Americas, Europe, the Middle East, Oceania, and Africa.

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Our revenue contribution by business activities for the FYE Under Review are set out below:

#### Revenue segmentation by business activities



Please refer to Sections 7.3 and 7.5.3 of this Prospectus for further details.

### 3.3 AWARDS, RECOGNITIONS AND MEMBERSHIPS

As at the LPD, our operational facilities have been accredited with the following valid certifications:

Certification	Issuing party
<b>Kulim Factory</b>	
Food Safety System Certification FSSC 22000	Intertek Certification Limited
HACCP Certificate	Ministry of Health Malaysia (“ <b>MOH</b> ”)
GMP Certificate	MOH
MeSTI Certificate	MOH
Roundtable on Sustainable Palm Oil (“ <b>RSPO</b> ”) Supply Chain Certification Standard 2020	Intertek Certification Limited
Malaysian Phytosanitary Certification Assurance Scheme	Department of Agriculture Malaysia
Veterinary Health Mark Certificate	Department of Veterinary Services Malaysia
<b>SJ Factory</b>	
Quality Management System ISO 9001:2015	Intertek Certification Limited
HACCP Certificate	MOH
GMP Certificate	MOH
MeSTI Certificate	MOH

In addition to the above, as at the LPD, we also have the following valid certifications:

- (i) HALAL certifications from JAKIM for 105 of our non-dairy creamers, functional lipid powders, malt and cereal products, as well as packaged oats, instant coffee and instant tea products; and
- (ii) Kosher certifications from Kosher London Beth Din for 43 of our non-dairy creamers and functional lipid powders products.

Please refer to Section 7.2 of this Prospectus for further details.

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#### 3.4 OUR COMPETITIVE STRENGTHS

- (i) We have an established track record of 16 years in the manufacturing of specialty food ingredients to serve as a reference and the platform to sustain and grow our business;
- (ii) We have a wide geographical coverage including Malaysia and 42 foreign markets, providing us with a large addressable market;
- (iii) We have expertise in microencapsulation technology using spray drying system to manufacture our non-dairy creamers and functional lipid powders;
- (iv) We have a dedicated innovation centre that supports product development and business growth;
- (v) We can accommodate new and/or small batch runs before scaling to higher volumes, supported by our R&D and flexible manufacturing facilities;
- (vi) We have quality control facilities and food safety certifications to help ensure product quality and safety;
- (vii) We have both direct and indirect distribution channels to maximise our sales and marketing coverage; and
- (viii) We have an experienced Managing Director and a Key Senior Management team to grow our business.

Please refer to Section 7.5 of this Prospectus for further details.

#### 3.5 OUR BUSINESS STRATEGIES AND PLANS

Our strategies and plans are as follows:



We intend to (i) **establish a New Factory for the manufacturing of flavour and bakery enhancement products**. The New Factory will also have a warehouse building to accommodate the expansion of our Group's manufacturing facilities; and (ii) **purchase new machinery and equipment** for expansion of our product range and capabilities at our Kulim Factory for manufacturing of malt products, and our New Factory for manufacturing of flavor and bakery enhancement products.



We intend to (i) **install two units of robotic palletisers** for Spray Dryer Plant 1 and Spray Dryer Plant 2, at our Kulim Factory; and (ii) **implement a WMS** for the warehouse in Kulim Factory, OCSB Warehouse and our new warehouse in the New Factory. These investment in IT and automation systems are to improve our operational efficiency as well as to support our scalable growth.



We plan to expand our product portfolio into complementary categories to diversify our product offerings. This includes the development and enhancement of new flavour products, nutritional and functional powdered blends, plant-based ingredients, application-specific ingredients for bakery, confectionery, beverages, meal replacements, infant formula, and sports nutrition.

Please refer to Section 7.19 of this Prospectus for further details.

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#### 3.6 UTILISATION OF PROCEEDS

The total gross proceeds of approximately RM[●] million from the Public Issue will be utilised by our Group in the following manner, and as further set out in Section 4.5 of this Prospectus:

Utilisation of proceeds		Amount of proceeds		Estimated timeframe for utilisation from the date of our Listing
		(RM'000)	%	
Capital expenditure:				
(i)	Establishment of our New Factory	[●]	[●]	Within 30 months
(ii)	Purchase of new machinery and equipment for expansion	[●]	[●]	Within 30 months
(iii)	Investment in IT and automation systems	[●]	[●]	Within 12 months
Repayment of bank borrowings		[●]	[●]	Within 1 month
Working capital		[●]	[●]	Within 2 months
Defray listing expenses		[●]	[●]	Immediate
Total		[●]	100.00	

#### 3.7 RISK FACTORS

Our business is subject to a number of risk factors, many of which may have a material adverse impact on our business operations, financial position and performance. Set out below are the key risks faced by us in our business operations:

- (i) Risks relating to our business and operations
  - (a) we are exposed to the risk of price fluctuations and shortage of input materials;
  - (b) we are exposed to the risk of increase in sea freight rates;
  - (c) we are dependent on our certifications and major licences, permits and approvals from relevant government authorities and regulatory agencies;
  - (d) we are subject to laws and regulations relating to occupational safety and health administration and environment;
  - (e) we are exposed to the risk of unfavourable foreign currency exchange rates;
  - (f) we are exposed to the risk of changing consumer preferences and shifts in market demands;
  - (g) we are exposed to the risk of product liabilities and product recalls;
  - (h) we are subject to the availability of labour for our manufacturing operations and increasing labour costs;
  - (i) we are exposed to operational risks including machinery breakdown, utility disruptions, IT systems failures, and cybersecurity breaches;
  - (j) we may not be able to realise the anticipated benefits of our future plans;
  - (k) we are exposed to the risk of inventory write-downs and write-offs;

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- (l) we are dependent on our Managing Director and Key Senior Management for our business continuity;
- (m) we are exposed to the risk relating to product formulations, brands, and proprietary know-how; and
- (n) we are exposed to the risk of inadequate insurance coverage;
- (ii) Risks relating to the industry in which we operate
  - (a) we are subject to the demand and performance of user industries;
  - (b) we are subject to competition from other specialty food ingredients and food products manufacturers; and
  - (c) we are subject to adverse economic, social, political and regulatory risks;
- (iii) Risks relating to investment in our Shares
  - (a) there has been no prior market for our Shares and it is uncertain whether an active market will ever develop;
  - (b) we may not be able to pay dividends to our shareholders;
  - (c) our Share price and trading volume may be volatile;
  - (d) the interests of our Promoters and substantial shareholders who control our Company upon the completion of our IPO and Listing may not be aligned with the interests of other shareholders;
  - (e) possible sale of a substantial number of Shares in the public market following our IPO could adversely affect the price of our Shares; and
  - (f) delay or failure of our Listing.

Please refer to Section 9 of this Prospectus for further details.

#### 3.8 OUR DIRECTORS AND KEY SENIOR MANAGEMENT

Name	Designation
<b>Directors</b>	
Chua Hooi Luan	Independent Non-Executive Chairman
Dato' Saw	Managing Director
Saw Benson	Non-Independent Non-Executive Director
Lum Ying Ling	Non-Independent Non-Executive Director
Lee Seow Ling	Independent Non-Executive Director
Khoo Choon Keat	Independent Non-Executive Director
Chung Wei Leng	Independent Non-Executive Director
<b>Key Senior Management</b>	
Dato' Saw	Promoter, substantial shareholder and Managing Director
Gijsbert van Weelden	Chief Operating Officer
Tan Eng Kiau	Senior General Manager
Yeow Poh Ling	Chief Financial Officer
Chang Shey Ling	Deputy General Manager

Please refer to Sections 5.2 and 5.4 of this Prospectus for further details.

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#### 3.9 OUR PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

Details of our Promoters and substantial shareholders and their shareholdings in our Company before and after our IPO are set out below:

Shareholder		Nationality / country of incorporation	As at the [LPD] and before our IPO <sup>(1)</sup>			
			Direct		Indirect	
			No. of Shares	%	No. of Shares	%
<b><u>Promoters and substantial shareholders</u></b>						
Dato' Saw		Malaysian	-	-	726,009,140 <sup>(3)</sup>	80.00
OCSB		Malaysia	726,009,140	80.00	-	-
<b><u>Substantial shareholders</u></b>						
Saw Benson		Malaysian	-	-	726,009,140 <sup>(3)</sup>	80.00
Saw Ee Chee		Malaysian	-	-	726,009,140 <sup>(3)</sup>	80.00
SGSB		Malaysia	181,502,285	20.00	-	-
Polvere Sdn Bhd	Group	Malaysia	-	-	181,502,285 <sup>(4)</sup>	20.00
Rajaraja Limited	Chola	British Virgin Islands	-	-	181,502,285 <sup>(5)</sup>	20.00
Creador V		Republic of Mauritius	-	-	181,502,285 <sup>(6)</sup>	20.00

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Shareholder	Nationality / country of incorporation	After our IPO <sup>(2)</sup>							
		Assuming the Over-allotment Option is not exercised				Assuming the Over-allotment Option is fully exercised			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Promoters and substantial shareholders</b>									
Dato' Saw	Malaysian	-	-	669,863,638 <sup>(3)</sup>	65.62	-	-	624,845,238 <sup>(3)</sup>	61.21
OCSB	Malaysia	669,863,638	65.62	-	-	624,845,238	61.21	-	-
<b>Substantial shareholders</b>									
Saw Benson	Malaysian	-	-	669,863,638 <sup>(3)</sup>	65.62	-	-	624,845,238 <sup>(3)</sup>	61.21
Saw Ee Chee	Malaysian	-	-	669,863,638 <sup>(3)</sup>	65.62	-	-	624,845,238 <sup>(3)</sup>	61.21
SGSB	Malaysia	50,836,387	4.98			50,836,387	4.98	-	-
Polvere Group Sdn Bhd	Malaysia	-	-	50,836,387 <sup>(4)</sup>	4.98	-	-	50,836,387 <sup>(4)</sup>	4.98
Rajaraja Chola Limited	British Virgin Islands	-	-	50,836,387 <sup>(5)</sup>	4.98	-	-	50,836,387 <sup>(5)</sup>	4.98
Creador V	Republic of Mauritius	-	-	50,836,387 <sup>(6)</sup>	4.98	-	-	50,836,387 <sup>(6)</sup>	4.98

**Notes:**

- (1) Based on our total number of 907,511,425 Shares as at the [LPD].
- (2) Based on our enlarged total number of 1,020,823,025 Shares after our IPO.
- (3) Deemed interested by virtue of Section 8(4) of the Act held through OCSB. The beneficial owners of OCSB are Dato' Saw, Saw Ee Chee and Saw Benson.
- (4) Deemed interested by virtue of Section 8(4) of the Act held through SGSB.
- (5) Deemed interested by virtue of Section 8(4) of the Act held through SGSB and Polvere Group Sdn Bhd.
- (6) Deemed interested by virtue of Section 8(4) of the Act held through SGSB, Polvere Group Sdn Bhd and Rajaraja Chola Limited.

Please refer to Section 5.1 of this Prospectus for further details on our Promoters and substantial shareholders.

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#### 3.10 FINANCIAL AND OPERATIONAL INFORMATION

The following sets out a summary of our consolidated financial information for the FYE Under Review, and as further set out in Sections 12 and 13 of this Prospectus:

	Audited		
	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000
<b>Consolidated statement of profit or loss and other comprehensive income</b>			
Revenue	410,881	367,078	394,864
GP	75,506	67,023	79,621
PBT	49,777	41,774	49,890
PAT	38,640	32,195	42,068
<b>Consolidated statement of cash flows</b>			
Net cash from operating activities	16,132	45,931	35,065
Net cash from / (used in) investing activities	10,778	(18,690)	(25,084)
Net cash from / (used in) financing activities	3,177	(19,536)	(4,207)
<b>Net increase in cash and cash equivalents</b>	<b>30,087</b>	<b>7,705</b>	<b>5,774</b>
Effect of exchange rate differences	9	32	(42)
Cash and cash equivalents at the beginning of the financial year	5,886	35,982	43,719
<b>Cash and cash equivalents at the end of the financial year</b>	<b>35,982</b>	<b>43,719</b>	<b>49,451</b>
<b>Other selected financial information</b>			
EBITDA <sup>(1)</sup>	62,502	53,642	66,129
GP margin (%) <sup>(2)</sup>	18.38	18.26	20.16
PBT margin (%) <sup>(3)</sup>	12.11	11.38	12.63
PAT margin (%) <sup>(4)</sup>	9.40	8.77	10.65
EBITDA margin (%) <sup>(5)</sup>	15.21	14.61	16.75
Basic EPS (sen) <sup>(6)</sup>	3.79	3.15	4.12

**Notes:**

- (1) The table below sets out the computation in arriving at the EBITDA of our Group for the respective financial years:

	Audited		
	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000
PBT	49,777	41,774	49,890
<u>Less:</u>			
Finance income	(404)	(989)	(490)
<u>Add:</u>			
Finance costs	2,860	2,761	3,000
Depreciation	10,269	10,096	13,729
<b>EBITDA</b>	<b>62,502</b>	<b>53,642</b>	<b>66,129</b>

- (2) Computed based on GP over total revenue of our Group.
- (3) Computed based on PBT over total revenue of our Group.

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- (4) Computed based on PAT over total revenue of our Group.
- (5) Computed based on EBITDA over total revenue of our Group.
- (6) Computed based on PAT attributable to owners of our Company divided by our entire enlarged total number of 1,020,823,025 Shares immediately after our IPO.

#### 3.11 DIVIDEND POLICY

We target a payout ratio of at least 30.0% of our PAT attributable to owners of our Company for each financial year on a consolidated basis. Our ability to declare and pay dividends is subject to our Board's discretion. Our Directors will take into consideration, amongst others, our profitability and cash flow position, our capital expenditure and strategic investment requirements, and our working capital needs and debt servicing obligations.

The dividends declared and paid by our Group for the FYE Under Review are as follows:

	<b>FYE 2022</b>	<b>FYE 2023</b>	<b>FYE 2024</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Dividends declared	7,700	-	6,000
Dividends paid	-	7,700 <sup>(1)</sup>	6,000 <sup>(2)</sup>
PAT	38,640	32,195	42,068
Dividend payout ratio (%) <sup>(3)</sup>	19.93	-	14.26

**Notes:**

- (1) Paid on 18 August 2023.
- (2) Paid on 26 December 2024.
- (3) Computed as dividends declared divided by PAT.

During the FYE Under Review, dividends paid were funded via internally generated funds which were in excess of our funding requirements for our business operations. From 1 January 2025 up to the LPD, no dividend was declared and paid.

As at the LPD, our Company has no intention to declare any further dividends up to the completion of our Listing.

Please refer to Section 12.5 of this Prospectus for further details.