
10. RELATED PARTY TRANSACTIONS

10.1 RELATED PARTY TRANSACTIONS

Pursuant to the Listing Requirements, a “related party transaction” is a transaction entered into by a listed corporation or its subsidiaries that involves the interest, direct or indirect, of a related party. A “related party” of a listed corporation is:

- (i) a director, having the meaning given in Section 2(1) of the CMSA and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of the listed corporation, its subsidiary or holding company or a chief executive of the listed corporation, its subsidiary or holding company;
- (ii) a major shareholder including any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of the listed corporation or its subsidiary or holding company, having an interest or interests in 1 or more voting shares in a corporation and the number or aggregate number of those shares is:
 - (a) 10% or more of the total number of voting shares in the corporation; or
 - (b) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation; or
- (iii) a person connected with such director or major shareholder.

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10. RELATED PARTY TRANSACTIONS (CONT'D)

10.1.1 Material related party transactions

Save as disclosed below, there is no other material related party transaction entered or to be entered into by our Group for the Financial Years Under Review and up to the LPD:

Transacting parties	Nature of relationship	Nature of transaction	Transaction value			
			FYE 2023 (RM'000)	FYE 2024 (RM'000)	FYE 2025 (RM'000)	1 January 2026 and up to the LPD (RM'000)
Bestari Food and the following parties:	<ul style="list-style-type: none"> Lai Kok Siong is our Promoter, Substantial Shareholder and Managing Director 	Acquisitions, details of which are set out in Section 6.1.1 of this Prospectus	-	-	-	37,293
<ul style="list-style-type: none"> Lai Kok Siong Lew Tai @ Kong Lew Tai Gabriel Lai-Yung Yao 	<ul style="list-style-type: none"> Gabriel Lai Yung-Yao is our Executive Director / Head of Sales & Marketing Lew Tai @ Kong Lew Tai is a director of Core Perpetual, which is our Promoter and Substantial Shareholder 	(This is a one-off transaction pursuant to our internal reorganisation for our Listing)				
Bestari Food Group and Core Perpetual	Core Perpetual is our Promoter and Substantial Shareholder	(i) Rental of Bestari HQ by our Group from Core Perpetual	1,944 (Represents 21.2% of our Group's PAT for the FYE 2023)	1,944 (Represents 11.8% of our Group's PAT for the FYE 2024)	2,676 (Represents 8.6% of our Group's PAT for the FYE 2025)	1,325

10. RELATED PARTY TRANSACTIONS (CONT'D)

Transacting parties	Nature of relationship	Nature of transaction	Transaction value			1 January 2026 and up to the LPD (RM'000)
			FYE 2023 (RM'000)	FYE 2024 (RM'000)	FYE 2025 (RM'000)	
		(ii) Payment of management fees by our Group to Core Perpetual for procurement, marketing and corporate support services	9,780 (Represents 106.5% of our Group's PAT for the FYE 2023)	9,780 (Represents 59.1% of our Group's PAT for the FYE 2024)	2,940 (Represents 9.5% of our Group's PAT for the FYE 2025)	-
		(iii) Provision of logistics support services such as rental of trucks and storage of products by Core Perpetual to our Group for our operations	1,200 (Represents 13.1% of our Group's PAT for the FYE 2023)	1,200 (Represents 7.3% of our Group's PAT for the FYE 2024)	2,228 (Represents 7.2% of our Group's PAT for the FYE 2025)	744
		(iv) Purchase or disposal of motor vehicles between our Group and Core Perpetual	35 (Represents 0.4% of our Group's PAT for the FYE 2023)	100 (Represents 0.6% of our Group's PAT for the FYE 2024)	-	-

10. RELATED PARTY TRANSACTIONS (CONT'D)

Transacting parties	Nature of relationship	Nature of transaction	Transaction value			1 January 2026 and up to the LPD (RM'000)
			FYE 2023 (RM'000)	FYE 2024 (RM'000)	FYE 2025 (RM'000)	
		(v) Provision of spare parts and maintenance services by our Group to Core Perpetual for the upkeep and maintenance of Bestari HQ	1 (Represents less than 0.1% of our Group's PAT for the FYE 2023)	6 (Represents less than 0.1% of our Group's PAT for the FYE 2024)	5 (Represents less than 0.1% of our Group's PAT for the FYE 2025)	9
Bestari Food Group and Ken Kee Manufacturing	<ul style="list-style-type: none"> Lai Kok Siong being our Promoter, Substantial Shareholder, and Managing Director, is a director and 90.0% shareholder of Ken Kee Manufacturing Gabriel Lai Yung-Yao being our Executive Director / Head of Sales & Marketing, is also a director and 10.0% shareholder of Ken Kee Manufacturing 	(i) Rental of food processing equipment by our Group to Ken Kee Manufacturing	222 (Represents 2.4% of our Group's PAT for the FYE 2023)	222 (Represents 1.3% of our Group's PAT for the FYE 2024)	222 (Represents 0.7% of our Group's PAT for the FYE 2025)	19
		(ii) Sale of premix and food ingredients such as seasoned flour and seasoning premixes by our Group to Ken Kee Manufacturing	2,787 (Represents 30.3% of our Group's PAT for the FYE 2023)	1,895 (Represents 11.5% of our Group's PAT for the FYE 2024)	540 (Represents 1.7% of our Group's PAT for the FYE 2025)	247

10. RELATED PARTY TRANSACTIONS (CONT'D)

Transacting parties	Nature of relationship	Nature of transaction	Transaction value			1 January 2026 and up to the LPD (RM'000)
			FYE 2023 (RM'000)	FYE 2024 (RM'000)	FYE 2025 (RM'000)	
		(iii) Sale of food processing equipment and related spare parts, and provision of maintenance services by our Group to Ken Kee Manufacturing	75 (Represents 0.8% of our Group's PAT for the FYE 2023)	517 (Represents 3.1% of our Group's PAT for the FYE 2024)	136 (Represents 0.4% of our Group's PAT for the FYE 2025)	97
Bestari Food Group and Ken Kee	<ul style="list-style-type: none"> Lai Kok Siong being our Promoter, Substantial Shareholder, and Managing Director, is also a director and 82.2% shareholder of Ken Kee Gabriel Lai Yung-Yao being our Executive Director / Head of Sales & Marketing, is also a director and 10.0% shareholder of Ken Kee 	(i) Sale of premix ingredients such as seasoned flour and seasoning premixes by our Group to Ken Kee	436 (Represents 4.7% of our Group's PAT for the FYE 2023)	595 (Represents 3.6% of our Group's PAT for the FYE 2024)	607 (Represents 2.0% of our Group's PAT for the FYE 2025)	276
		(ii) Purchase of nuts and beans by our Group from Ken Kee	174 (Represents 1.9% of our Group's PAT for the FYE 2023)	428 (Represents 2.6% of our Group's PAT for the FYE 2024)	478 (Represents 1.5% of our Group's PAT for the FYE 2025)	171

10. RELATED PARTY TRANSACTIONS (CONT'D)

Transacting parties	Nature of relationship	Nature of transaction	Transaction value			1 January 2026 and up to the LPD (RM'000)
			FYE 2023 (RM'000)	FYE 2024 (RM'000)	FYE 2025 (RM'000)	
Bestari Food Group and Nomms	<ul style="list-style-type: none"> Lai Kok Siong being our Promoter, Substantial Shareholder, and Managing Director, is a director and 90.0% shareholder of Nomms 	(i) Sale of premix ingredients such as seasoned flour premixes and gravy premix by our Group to Nomms	30 (Represents 0.3% of our Group's PAT for the FYE 2023)	59 (Represents 0.4% of our Group's PAT for the FYE 2024)	-	-
		<ul style="list-style-type: none"> Gabriel Lai Yung-Yao being our Executive Director / Head of Sales & Marketing, is a director of Nomms Lew Tai @ Kong Lew Tai, being our Substantial Shareholder, is a director and 10.0% shareholder of Nomms 	(ii) Sale or purchase of food processing equipment and related spare parts, and provision of maintenance services between our Group and Nomms	36 (Represents 0.4% of our Group's PAT for the FYE 2023)	295 (Represents 1.8% of our Group's PAT for the FYE 2024)	47 (Represents 0.2% of our Group's PAT for the FYE 2025)

10. RELATED PARTY TRANSACTIONS (CONT'D)

Transacting parties	Nature of relationship	Nature of transaction	Transaction value			1 January 2026 and up to the LPD (RM'000)
			FYE 2023 (RM'000)	FYE 2024 (RM'000)	FYE 2025 (RM'000)	
Bestari Food Group and Mokara Kitchen	<ul style="list-style-type: none"> Lai Kok Siong being our Promoter, Substantial Shareholder and Managing Director, is a director and 40.0% shareholder of Mokara Kitchen Gabriel Lai Yung-Yao being our Executive Director / Head of Sales & Marketing, is a director and 10.0% shareholder of Mokara Kitchen Lew Tai @ Kong Lew Tai being our Substantial Shareholder, is a 30.0% shareholder of Mokara Kitchen 	Sale of premix and food ingredients, such as seasoned flour and seasoning premixes, by our Group to Mokara Kitchen	-	-	363	95
					(Represents 1.2% of our Group's PAT for the FYE 2025)	
Bestari Sales and Lew Tai @ Kong Lew Tai	<ul style="list-style-type: none"> Lew Tai @ Kong Lew Tai is our Substantial Shareholder and is a director of Core Perpetual, which is our Promoter and Substantial Shareholder 	Rental of an apartment unit in Shah Alam, Selangor by Bestari Sales from Lew Tai @ Kong Lew Tai for temporary staff lodging purposes	30	30	30	(1)5
			(Represents 0.3% of our Group's PAT for the FYE 2023)	(Represents 0.2% of our Group's PAT for the FYE 2024)	(Represents 0.1% of our Group's PAT for the FYE 2025)	

Note:

- (1) The rental arrangement between Bestari Sales and Lew Tai @ Kong Lew Tai for the apartment unit located in Selangor for temporary staff lodging purposes was terminated in March 2026.

10. RELATED PARTY TRANSACTIONS (CONT'D)

Save for the acquisition of certain companies in a net liabilities position under the Acquisitions, namely Bestari (S), Synerchem (S) and Synerchem Services for a nominal consideration of RM10 each and the disposal of a passenger car by Synerchem Food Processing to Core Perpetual during the FYE 2024 for a cash consideration of RM100,000, which was below its market value, all the related party transactions entered into by our Group which involved the interest, direct or indirect, of the Directors, major shareholders or persons connected with them during the Financial Years Under Review and up to the LPD were transacted on an arm's length basis and on normal commercial terms which were not unfavourable to our Group, and were comparable to those generally available to third parties.

Bestari (S), Synerchem (S) and Synerchem Services were in net liabilities positions mainly due to accumulated operating expenses incurred such as staff costs which exceeded revenue generated from operations in prior financial years. Notwithstanding their net liabilities positions, the Acquisitions form part of our Group's internal reorganisation exercise undertaken in preparation for our Listing, with the objective of consolidating our operating entities and support functions under our Group.

In addition, our Group did not obtain any comparable quotations for the disposal of the passenger car to Core Perpetual. Notwithstanding the foregoing, this was a one-off transaction and the vehicle was disposed of at a price above its net book value of approximately RM34,000, resulting in a gain on disposal of approximately RM66,000.

Save for the above, our Directors confirm that all the related party transactions outlined above were transacted on an arm's length basis and on normal commercial terms which are not unfavourable to us than those generally available to third parties based on the following reasons:

- (i) the rental of Bestari HQ from Core Perpetual and rental of food processing equipment to a related party are supported by independent market rental valuation, while the rental of an apartment unit is in line with prevailing market rates for comparable properties;
- (ii) the sales or provision of our Group's products and services to related parties were based on standard commercial pricing made available to all our customers. On the other hand, the products purchased or services procured from related parties were also conducted based on normal commercial pricing and terms comparable to those generally available to third parties; and
- (iii) the payment of management fees to Core Perpetual include (a) procurement and marketing support services to facilitate the procurement of goods, inventory planning, supplier coordination, market analysis, promotional activities and other marketing-related matters, and (b) corporate support services relating to legal, finance, human resources, accounting and information technology matters. The management fees were determined based on a net cost plus margin methodology and the mark-up was considered reasonable having regard to the nature and scope of the services provided, as well as to compensate Core Perpetual for the resources deployed and costs incurred.

Following our Listing, our Board will ensure that future transactions with related party (if any) will be in compliance with the Listing Requirements. The procedures to be undertaken to ensure that the future transactions with related party (if any) are carried out on an arm's length basis, which will be subject to our Group's internal controls and governance procedures, as set out in Section 10.2 of this Prospectus. Further, there are no material related party transactions entered into but not yet effected since the LPD and up to the date of this Prospectus.

10. RELATED PARTY TRANSACTIONS (CONT'D)

10.1.2 Transactions entered into that are unusual in their nature or conditions

Our Group has not entered into any transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets, with a related party during the Financial Years Under Review and up to the LPD.

10.1.3 Loans and financial assistance made to or for the benefits of related parties

Save as disclosed below, there are no other outstanding loans and financial assistance made by us to or for the benefit of any related party during the Financial Years Under Review and up to the LPD:

Parties	Nature of relationship	Nature of transaction	Outstanding amount as at			
			31 December 2023 (RM'000)	31 December 2024 (RM'000)	31 December 2025 (RM'000)	the LPD (RM'000)
Bestari Food Group, Core Perpetual, Ken Kee Manufacturing, Ken Kee and Nomms	<ul style="list-style-type: none"> Core Perpetual is our Substantial Shareholder Lai Kok Siong being our Promoter, Substantial Shareholder and Managing Director, is also a director and substantial shareholder of Ken Kee Manufacturing, Ken Kee and Nomms Gabriel Lai Yung-Yao being our Executive Director, is also a director of Ken Kee Manufacturing, Ken Kee and Nomms 	Non-trade advances provided by our Group for working capital purposes	22,943	9,985	417	-
			(Represents 36.6% of our Group's NA as at 31 December 2023)	(Represents 38.1% of our Group's NA as at 31 December 2024)	(Represents 1.0% of our Group's NA as at 31 December 2025)	

10. RELATED PARTY TRANSACTIONS (CONT'D)

Parties	Nature of relationship	Nature of transaction	Outstanding amount as at			
			31 December 2023 (RM'000)	31 December 2024 (RM'000)	31 December 2025 (RM'000)	the LPD (RM'000)
Bestari Food Group, Core Perpetual and Ken Kee	<ul style="list-style-type: none"> Core Perpetual is our Substantial Shareholder Lai Kok Siong being our Promoter, Substantial Shareholder and Managing Director, is also a director and substantial shareholder of Ken Kee Gabriel Lai Yung-Yao being our Executive Director, is also a director of Ken Kee 	Non-trade advances provided to our Group for working capital purposes	2,040 (Represents 3.3% of our Group's NA as at 31 December 2023)	648 (Represents 2.5% of our Group's NA as at 31 December 2024)	568 (Represents 1.3% of our Group's NA as at 31 December 2025)	-
Bestari Food Group and Lai Kok Siong	Lai Kok Siong is our Promoter, Substantial Shareholder and Managing Director	Amount due from Lai Kok Siong pertaining to payments made on behalf in respect of business and corporate related expenses	288 (Represents 0.5% of our Group's NA as at 31 December 2023)	14 (Represents less than 0.1% of our Group's NA as at 31 December 2024)	13 (Represents less than 0.1% of our Group's NA as at 31 December 2025)	-

The financial assistance above were not provided on an arm's length basis as they were extended free of interest to the related parties. Going forward, we will not be providing or receiving any financial assistance to and from our related parties.

10. RELATED PARTY TRANSACTIONS (CONT'D)

10.1.4 Provision of guarantees by our related parties for the banking facilities granted to our Group

Our Group's banking facilities were secured by Core Perpetual via a legal charge on Bestari HQ and certain other properties in favour of our Group's financial institutions, namely HSBC Amanah Malaysia Berhad and United Overseas Bank (Malaysia) Bhd. In conjunction with our Listing, we have obtained conditional approvals from the abovementioned financiers to uplift the property charges by substituting the same with a corporate guarantee from our Company upon our Listing.

For the Financial Years Under Review, Core Perpetual, Lai Kok Siong, Lew Tai @ Kong Lew Tai and Gabriel Lai Yung-Yao have provided corporate and personal guarantees for banking facilities extended by financial institutions to our Group, namely Maybank Islamic Berhad, HSBC Amanah Malaysia Berhad and United Overseas Bank (Malaysia) Bhd. In addition, a corporate guarantee has been provided by Synerchem Food Processing in favour of a financial institution, namely United Overseas Bank (Malaysia) Bhd, for the banking facilities granted to Ken Kee. In conjunction with our Listing, we have obtained conditional approvals from the abovementioned financiers to uplift the said corporate and personal guarantees upon our Listing.

10.2 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS**10.2.1 Audit and Risk Management Committee's review**

Our Audit and Risk Management Committee reviews related party transactions and conflict of interest situations that may arise within our Group including any transaction, procedure or course of conduct that raises questions of management integrity. Our Audit and Risk Management Committee maintains and periodically reviews the adequacy of the procedures and processes set by our Company to monitor related party transactions and conflicts of interest.

It also sets the procedures and processes to ensure that transactions are carried out in the best interest of our Company, on an arm's length basis and are based on normal commercial terms which are not more favourable to the related party than those generally available to third parties, and are not to the detriment of the interest of our minority shareholders. Among others, the related parties and parties who are in a position of conflict with the interest of our Group will be required to abstain from deliberations on the transactions.

All reviews by our Audit and Risk Management Committee will be reported to our Board for our further action.

10.2.2 Our Group's policy on related party transactions

Related party transactions by their very nature, involve conflicts of interest between our Group and the related parties with whom our Group has entered into such transactions. As disclosed in this Prospectus, some of our Directors and/or major shareholders are also directors and in some cases, shareholders of the related parties of our Group, and with respect to these related party transactions, may individually and in aggregate have conflicts of interest.

It is the policy of our Group that all related party transactions must be reviewed by our Audit and Risk Management Committee to ensure that they are negotiated and agreed upon in the best interest of our Company, on an arm's length basis and are based on normal commercial terms which are not more favourable to the related party than those generally available to third parties, and are not detrimental to our minority shareholders.

10. RELATED PARTY TRANSACTIONS (CONT'D)

In addition, we plan to adopt a comprehensive corporate governance policies and practices guided by the Listing Requirements and the principles and best practices of the MCGG to mitigate potential conflict of interest situations upon our Listing. The procedures may include, among others, the following:

- (i) our Board shall ensure that majority of our Board members are independent directors and will undertake an annual assessment on our Independent Non-Executive Directors;
- (ii) our Directors will be required to declare any direct or indirect interest that they may have in any business enterprise that is engaged in or proposed to be engaged in a transaction with our Group, whether or not they believe it is a material transaction. Upon such disclosure, the interested Director shall be required to abstain from deliberation and voting on any resolution pertaining to the related party transaction; and
- (iii) all existing or potential related party transactions would have to be disclosed by the interested party for management reporting, and such declaration and disclosures are to be made by all Directors from time-to-time to identify and monitor all existing or potential related party transactions. Our management will propose the transactions to our Audit and Risk Management Committee for evaluation and assessment who would in turn, make a recommendation to our Board.