

## 12. FINANCIAL INFORMATION

### 12.1 HISTORICAL COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AND FINANCIAL POSITION

#### 12.1.1 Historical financial performance

We were incorporated in Malaysia under the Act on 20 February 2025 to facilitate our Listing. On [●] 2026, we formed our Group upon completing the Acquisitions, which resulted in Bestari (S), Bestari Sales, Synerchem (S), Synerchem Engineering, Synerchem Food Processing, Synerchem Ingredients and Synerchem Services becoming our wholly-owned subsidiaries.

Our historical combined financial statements for the Financial Years Under Review have been prepared in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards for the purpose of the Accountants' Report. The historical financial information presented below should be read in conjunction with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" as set out in Section 12.3 of this Prospectus and the Accountants' Report, together with its related notes, as set out in Section 13 of this Prospectus.

	<-----Audited----->		
	FYE 2023	FYE 2024	FYE 2025
	(RM'000)	(RM'000)	(RM'000)
Revenue	137,865	160,691	175,323
Cost of sales	(88,951)	(97,154)	(93,337)
<b>GP</b>	<b>48,914</b>	<b>63,537</b>	<b>81,986</b>
Other income	630	1,116	613
Selling and distribution expenses	(11,632)	(11,985)	(14,042)
Administrative expenses	(24,616)	(29,029)	(24,528)
<b>Operating profit</b>	<b>13,296</b>	<b>23,639</b>	<b>44,029</b>
Finance income	234	157	124
Finance costs	(1,508)	(1,543)	(2,581)
<b>PBT</b>	<b>12,022</b>	<b>22,253</b>	<b>41,572</b>
Taxation	(2,839)	(5,709)	(10,540)
<b>PAT</b>	<b>9,183</b>	<b>16,544</b>	<b>31,032</b>
Other comprehensive income / (expenses)	32	(36)	(38)
<b>Total comprehensive income for the financial year</b>	<b>9,215</b>	<b>16,508</b>	<b>30,994</b>
GP margin <sup>(1)</sup> (%)	35.5	39.5	46.8
EBITDA <sup>(2)</sup>	15,449	26,954	49,592
EBITDA margin <sup>(1)</sup> (%)	11.2	16.8	28.3
PBT margin <sup>(1)</sup> (%)	8.7	13.8	23.7
PAT margin <sup>(1)</sup> (%)	6.7	10.3	17.7
Basic and diluted EPS <sup>(3)</sup> (sen)	2.0	3.7	6.9
Number of Shares in issue after our IPO ('000)	450,000	450,000	450,000

#### Notes:

(1) Computed as GP, EBITDA, PBT or PAT divided by revenue.

**12. FINANCIAL INFORMATION (CONT'D)**

(2) Computed as follows:

	<-----Audited----->		
	FYE 2023	FYE 2024	FYE 2025
	(RM'000)	(RM'000)	(RM'000)
PAT	9,183	16,544	31,032
Add: Taxation	2,839	5,709	10,540
Depreciation	2,153	3,315	5,563
Finance costs	1,508	1,543	2,581
Less: Finance income	(234)	(157)	(124)
<b>EBITDA</b>	<b>15,449</b>	<b>26,954</b>	<b>49,592</b>

(3) Computed as PAT divided by the enlarged total number of 450,000,000 Shares after our IPO.

**12.1.2 Historical combined statements of financial position**

The table below sets out the summary of our audited combined statements of financial position as at 31 December 2023, 31 December 2024 and 31 December 2025, which has been extracted from the Accountants' Report as set out in Section 13 of this Prospectus.

	<-----Audited----->		
	31 December 2023	31 December 2024	31 December 2025
	(RM'000)	(RM'000)	(RM'000)
Property, plant and equipment	14,449	12,212	24,669
<b>Non-current assets</b>	<b>14,449</b>	<b>12,212</b>	<b>24,669</b>
Inventories	18,387	17,381	18,810
Trade and other receivables	64,337	52,041	39,752
Current tax assets	2,594	1,664	-
Cash and short-term deposits	15,403	13,677	23,720
<b>Current assets</b>	<b>100,721</b>	<b>84,763</b>	<b>82,282</b>
<b>Total assets</b>	<b>115,170</b>	<b>96,975</b>	<b>106,951</b>
Loans and borrowings	5,042	11,083	20,281
Deferred tax liabilities	1,284	989	834
<b>Non-current liabilities</b>	<b>6,326</b>	<b>12,072</b>	<b>21,115</b>
Loans and borrowings	30,335	45,190	27,174
Trade and other payables	15,824	13,520	14,428
Current tax liabilities	-	-	1,547
<b>Current liabilities</b>	<b>46,159</b>	<b>58,710</b>	<b>43,149</b>
<b>Total liabilities</b>	<b>52,485</b>	<b>70,782</b>	<b>64,264</b>
Invested equity	1,884	1,884	1,984
Translation reserve	(1)	(37)	(75)
Retained earnings	60,802	24,346	40,778
<b>Total equity</b>	<b>62,685</b>	<b>26,193</b>	<b>42,687</b>
<b>Total equity and liabilities</b>	<b>115,170</b>	<b>96,975</b>	<b>106,951</b>

**12. FINANCIAL INFORMATION (CONT'D)****12.2 CAPITALISATION AND INDEBTEDNESS**

The following table sets out our capitalisation and indebtedness as at 30 April 2026, and after adjusting for the Public Issue and use of proceeds:

	<b>Unaudited as at 30 April 2026 (RM'000)</b>	<b>After the Public Issue and use of proceeds (RM'000)</b>
<b>Indebtedness</b>		
<u>Current (secured and guaranteed)</u>		
- Term loans	2,735	2,735
- Hire purchase payables	244	244
- Trust receipts	3,318	3,318
- Revolving credit	4,000	4,000
- Bankers' acceptances	12,424	12,424
- Bank overdraft	2,681	2,681
<u>Current (unsecured and unguaranteed)</u>		
- Lease liabilities	2,758	2,758
<u>Non-current (secured and guaranteed)</u>		
- Term loans	6,584	6,584
- Hire purchase payables	432	432
<u>Non-current (unsecured and unguaranteed)</u>		
- Lease liabilities	11,182	11,182
<b>Total indebtedness</b>	<b>46,358</b>	<b>46,358</b>
<b>Total indebtedness (excluding lease liabilities)</b>	<b>32,418</b>	<b>32,418</b>
<b>Shareholders' equity</b>	<b>48,347</b>	<b>[•]</b>
<b>Total capitalisation and indebtedness</b>	<b>94,705</b>	<b>[•]</b>
Gearing ratio <sup>(1)</sup> (times)	0.7	<b>[•]</b>

**Note:**

(1) Computed as total borrowings (excluding lease liabilities) divided by shareholders' equity.

**12. FINANCIAL INFORMATION (CONT'D)**

**12.3 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following management's discussion and analysis of our Group's financial conditions and results of operations for the Financial Years Under Review should be read in conjunction with the historical combined financial statements of our Group and the accompanying notes as set out in the Accountants' Report which are included in Section 13 of this Prospectus.

There are no accounting policies which are peculiar to our Group because of the nature of the business or industry which we are involved in.

**12.3.1 Overview of our operations**



We are principally involved in the production of food premixes, comprising seasoned flour premixes, seasoning premixes and other food base premixes. Our food premixes are mainly marketed and sold under our 'Bestari' brand. To complement our in-house production and broaden our product offerings, we also supply food ingredients and food processing and production equipment, as well as sales of related spare parts and provision of maintenance services.

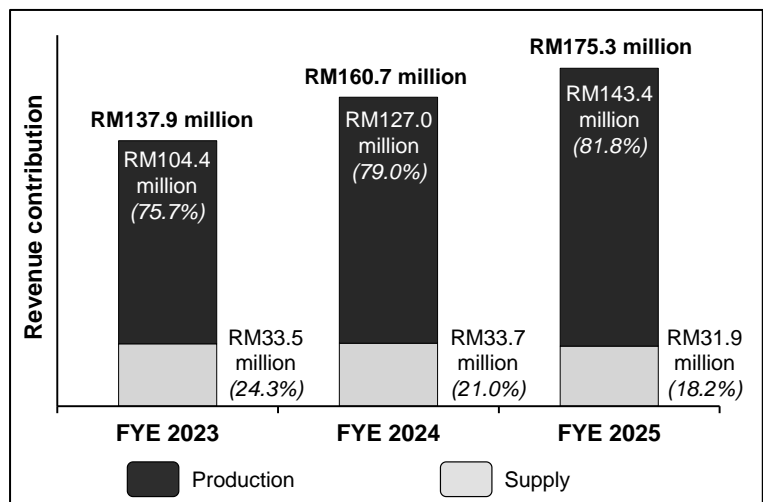
Please refer to Section 7 of this Prospectus for further details of our business overview.

Our principal operations are based in Malaysia, where our Bestari HQ is located in

Telok Panglima Garang, Kuala Langat, Selangor. In addition, we also have a sales and support office in Singapore which commenced operations in 2001. For the Financial Years Under Review, our sales were primarily denominated in RM, with a smaller proportion of sales denominated in foreign currencies, mainly SGD. Our purchases of materials were primarily transacted in RM, United States Dollar (USD), Renminbi (RMB) and Euro (EUR).

During the Financial Years Under Review, our total revenue grew at a compound annual growth rate of 12.8%, from RM137.9 million for the FYE 2023 to RM175.3 million for the FYE 2025.

Our primary revenue driver is our production segment, contributing to approximately 75.7%, 79.0% and 81.8% of our total revenue for the Financial Years Under Review respectively. The remaining revenue was contributed by our supply segment, which accounted for 24.3%, 21.0% and 18.2% of our total revenue for the Financial Years Under Review respectively.



Revenue generated from both our production and supply segments is recognised when goods are delivered or when services are rendered, and upon acceptance by our customers.

**12. FINANCIAL INFORMATION (CONT'D)****12.3.2 Revenue****(i) Revenue by business segments**

	FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%
<b>Production segment</b>						
• Seasoned flour premixes	97,733	70.9	116,786	72.7	132,726	75.7
• Seasoning premixes	5,904	4.3	9,124	5.7	9,310	5.3
• Other food base premixes <sup>(1)</sup>	741	0.5	1,061	0.6	1,342	0.8
	<b>104,378</b>	<b>75.7</b>	<b>126,971</b>	<b>79.0</b>	<b>143,378</b>	<b>81.8</b>
<b>Supply segment</b>						
• Food ingredients	24,443	17.7	27,235	17.0	25,232	14.4
• Food processing and production equipment	6,278	4.6	3,688	2.3	3,469	2.0
• Other related products and services <sup>(2)</sup>	2,766	2.0	2,797	1.7	3,244	1.8
	<b>33,487</b>	<b>24.3</b>	<b>33,720</b>	<b>21.0</b>	<b>31,945</b>	<b>18.2</b>
	<b>137,865</b>	<b>100.0</b>	<b>160,691</b>	<b>100.0</b>	<b>175,323</b>	<b>100.0</b>

**Notes:**

(1) Include instant mashed potato mix, custard mix, cream soup premix, and gravy premix.

(2) Include sales of related spare parts for food processing and production equipment as well as installation, repair and maintenance services.

**(ii) Revenue by geographical markets**

The breakdown of our revenue by customers' locations (as per customers' addresses on invoices) is set out below:

	FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%
<b>Malaysia</b>						
• Central region <sup>(1)</sup>	56,235	40.8	65,803	41.0	80,229	45.8
• Northern region <sup>(2)</sup>	25,912	18.8	29,580	18.4	25,096	14.3
• Southern region <sup>(3)</sup>	18,483	13.4	19,626	12.2	21,921	12.5
• East coast region <sup>(4)</sup>	16,151	11.7	18,551	11.6	19,042	10.9
• East Malaysia <sup>(5)</sup>	16,247	11.8	22,715	14.1	23,403	13.3
	<b>133,028</b>	<b>96.5</b>	<b>156,275</b>	<b>97.3</b>	<b>169,691</b>	<b>96.8</b>
<b>Foreign countries</b>						
• Singapore	2,745	2.0	2,523	1.5	3,134	1.8
• Brunei	1,969	1.4	1,786	1.1	1,714	1.0
• Others <sup>(6)</sup>	123	0.1	107	0.1	784	0.4
	<b>4,837</b>	<b>3.5</b>	<b>4,416</b>	<b>2.7</b>	<b>5,632</b>	<b>3.2</b>
	<b>137,865</b>	<b>100.0</b>	<b>160,691</b>	<b>100.0</b>	<b>175,323</b>	<b>100.0</b>

**12. FINANCIAL INFORMATION (CONT'D)****Notes:**

- (1) Comprise Selangor, Kuala Lumpur, Putrajaya, Cyberjaya and Negeri Sembilan.
- (2) Comprise Pulau Pinang, Perak, Kedah and Perlis.
- (3) Comprise Johor and Melaka.
- (4) Comprise Pahang, Terengganu and Kelantan.
- (5) Comprise Sabah and Sarawak.
- (6) Include Cambodia, Bangladesh, China, Hong Kong, Indonesia, Ireland, Pakistan, Saudi Arabia, and Sri Lanka.

**(iii) Sales volume of in-house produced food premixes, and supply of food ingredients, as well as food processing and production equipment**

The following sets out the sales volume of our in-house produced food premixes:

	FYE 2023	FYE 2024	FYE 2025
	tonnes	tonnes	tonnes
<b>Production segment</b>			
• Seasoned flour premixes	13,673	16,154	18,448
• Seasoning premixes	269	381	427
• Other food base premixes <sup>(1)</sup>	76	100	106
	<b>14,018</b>	<b>16,635</b>	<b>18,981</b>

**Note:**

- (1) Include instant mashed potato mix, custard mix, cream soup premix, and gravy premix.

The following sets out the sales volume for some of the supply of food ingredients, as well as food processing and production equipment:

	Unit of measure	FYE 2023	FYE 2024	FYE 2025
<b>Supply segment</b>				
• Food ingredients				
- Starch	tonnes	1,381	1,611	1,934
- Seasonings	tonnes	460	796	1,056
- Casing	'000 metres	40,990	36,528	14,191
- Spices	tonnes	30	44	46
• Food processing and production equipment	units	59	33	37

**FYE 2024 compared to FYE 2023**

Our total revenue increased by RM22.8 million or 16.6% to RM160.7 million for the FYE 2024 (FYE 2023: RM137.9 million), mainly contributed by the increase in revenue from our production segment. The performance of both our production and supply segments is as follows:

**12. FINANCIAL INFORMATION (CONT'D)****Production segment**

Revenue from our production segment increased by RM22.6 million or 21.6% to RM127.0 million for the FYE 2024 (FYE 2023: RM104.4 million). This was mainly attributed to the:

- (i) increase in revenue from the sales of seasoned flour premixes of RM19.1 million or 19.5% to RM116.8 million for the FYE 2024 (FYE 2023: RM97.7 million), driven by the increase in sales of our fried chicken coating mix. This was reflected in the increase in sales volume of seasoned flour premixes by 18.1% to 16,154 tonnes for the FYE 2024 (FYE 2023: 13,673 tonnes); and
- (ii) increase in revenue from the sales of seasoning premixes of RM3.2 million or 54.5% to RM9.1 million for the FYE 2024 (FYE 2023: RM5.9 million), supported by the increase in sales of flavoured seasoning such as salted egg seasonings and stock seasonings, as reflected in the increase in sales volume of seasoning premixes by 41.6% to 381 tonnes for the FYE 2024 (FYE 2023: 269 tonnes).

**Supply segment**

Revenue from our supply segment increased by RM0.2 million or 0.7% to RM33.7 million for the FYE 2024 (FYE 2023: RM33.5 million). This was mainly attributed to higher sales of food ingredients, driven by higher sales of seasonings particularly MSG, which increased by RM2.3 million. The growth was mainly contributed by the increase in sales of MSG following the commercialisation of our 'Bestari' brand of MSG in 2022, which we repack and sell under our own brand. This was reflected in the increase in sales volume of MSG by 135.5% to 438 tonnes for the FYE 2024 (FYE 2023: 186 tonnes).

The increase in revenue from our supply segment was partially offset by a lower revenue from the supply of food processing and production equipment, which declined by RM2.6 million, mainly due to lower order volumes during the financial year. The purchase of such equipment from customers is typically discretionary in nature and subject to their planned capital expenditures.

**FYE 2025 compared to FYE 2024**

Our total revenue increased by RM14.6 million or 9.1% to RM175.3 million for the FYE 2025 (FYE 2024: RM160.7 million), mainly contributed by higher revenue contribution from our production segment. The performance of both our production and supply segments is as follows:

**Production segment**

Revenue from our production segment increased by RM16.4 million or 12.9% to RM143.4 million for the FYE 2025 (FYE 2024: RM127.0 million). This was mainly attributed to the increased orders for our food premixes, particularly seasoned flour premixes.

Revenue from the sales of seasoned flour premixes increased by RM15.9 million or 13.6% to RM132.7 million for the FYE 2025 (FYE 2024: RM116.8 million), driven by increased sales and higher demand for our fried chicken coating mix. This was reflected in the increase in sales volume of seasoned flour premixes by 14.2% to 18,448 tonnes for the FYE 2025 (FYE 2024: 16,154 tonnes).

**Supply segment**

Revenue from our supply segment decreased by RM1.8 million or 5.3% to RM31.9 million for the FYE 2025 (FYE 2024: RM33.7 million), mainly due to lower sales of food ingredients, particularly casings, which decreased by RM4.3 million as reflected in the reduction in sales volume of casings by 61.1% to 14.2 million metres for the FYE 2025 (FYE 2024: 36.5 million metres).

Within the food ingredients category, the decrease in revenue was partially offset by the increase in revenue from seasonings supplied by RM2.6 million due to higher sales of MSG, as reflected in the increase in sales volume by 63.5% to 716 tonnes for the FYE 2025 (FYE 2024: 438 tonnes).

**12. FINANCIAL INFORMATION (CONT'D)****12.3.3 Cost of sales**

The breakdown of our cost of sales by components during the Financial Years Under Review is set out below:

	FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%
<b>Material and product costs</b>						
- Wheat flour	27,206	30.6	27,841	28.7	27,829	29.8
- Other ingredients and products	42,452	47.7	50,820	52.3	44,043	47.2
- Food processing and production equipment and related parts	6,358	7.1	3,886	4.0	3,558	3.8
- Packaging materials	7,198	8.1	6,407	6.6	9,595	10.3
	<b>83,214</b>	<b>93.5</b>	<b>88,954</b>	<b>91.6</b>	<b>85,025</b>	<b>91.1</b>
<b>Direct labour costs</b>	2,201	2.5	3,520	3.6	3,198	3.4
<b>Depreciation</b>	1,324	1.5	2,249	2.3	3,483	3.7
<b>Other costs<sup>(1)</sup></b>	2,212	2.5	2,431	2.5	1,631	1.8
	<b>88,951</b>	<b>100.0</b>	<b>97,154</b>	<b>100.0</b>	<b>93,337</b>	<b>100.0</b>

**Note:**

(1) Comprise rental of factory, logistics and transportation costs.

The breakdown of our cost of sales by business segments during the Financial Years Under Review is set out below:

	FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%
<b>Production segment</b>						
• Seasoned flour premixes	56,564	63.6	63,673	65.6	64,739	69.4
• Seasoning premixes	4,686	5.3	6,238	6.4	5,605	6.0
• Other food base premixes <sup>(1)</sup>	318	0.3	432	0.4	367	0.4
	<b>61,568</b>	<b>69.2</b>	<b>70,343</b>	<b>72.4</b>	<b>70,711</b>	<b>75.8</b>
<b>Supply segment</b>						
• Food ingredients	20,360	22.9	21,500	22.1	18,018	19.3
• Food processing and production equipment	4,614	5.2	2,819	2.9	1,979	2.1
• Other related products and services <sup>(2)</sup>	2,409	2.7	2,492	2.6	2,629	2.8
	<b>27,383</b>	<b>30.8</b>	<b>26,811</b>	<b>27.6</b>	<b>22,626</b>	<b>24.2</b>
	<b>88,951</b>	<b>100.0</b>	<b>97,154</b>	<b>100.0</b>	<b>93,337</b>	<b>100.0</b>

**12. FINANCIAL INFORMATION (CONT'D)****Notes:**

- (1) Include instant mashed potato mix, custard mix, cream soup premix, and gravy premix.
- (2) Include sales of related spare parts for the food processing and production equipment as well as installation, repair and maintenance services.

**Material and product costs**

Material and product costs represent the largest cost components for our business operations, which accounted for 93.5%, 91.6% and 91.1% of our total cost of sales for the Financial Years Under Review respectively. These costs comprise input materials for our production segment such as wheat flour, seasonings and other food additives, as well as packaging materials. For our supply segment, the costs comprise food ingredients, food processing and production equipment, and related spare parts.

Our material and product costs increased by RM5.7 million or 6.9% to RM89.0 million for the FYE 2024 (FYE 2023: RM83.2 million). This was mainly attributable to higher material and product costs for both our production and supply segments, arising from increased sales of our in-house produced food premixes, as well as higher supply of seasonings during the financial year, which was reflected in our revenue growth of 16.6% for the FYE 2024. This was partly offset by the decrease in our average purchase price of wheat flour from approximately RM2,400 per tonne for the FYE 2023 to approximately RM2,100 per tonne for the FYE 2024.

Subsequently, our material and product costs decreased by RM3.9 million or 4.4% to RM85.0 million for the FYE 2025 (FYE 2024: RM89.0 million), mainly due to lower input material costs. This was primarily driven by the decline in wheat flour prices, as reflected in the further decrease in our average purchase price from approximately RM2,100 per tonne for the FYE 2024 to approximately RM1,800 per tonne for the FYE 2025 on the back of lower global wheat prices. Furthermore, the lower material and product costs were also partly attributed to the appreciation of RM against foreign currencies such as the United States Dollar (USD), Renminbi (RMB) and Euro (EUR), as we sourced a portion of our input materials such as MSG, spices, seasonings, additives, flavourings and other ingredients from overseas. The purchases of materials in foreign currencies represented approximately 53.2% of our Group's total purchases for the FYE 2025 (FYE 2024: 54.7%).

**Direct labour costs**

Direct labour costs comprise salaries, allowances, statutory contributions and related costs for employees involved in our production and warehouse operations.

Our direct labour costs increased by RM1.3 million or 59.9% to RM3.5 million for the FYE 2024 (FYE 2023: RM2.2 million). This was mainly due to an increase in the number of production and warehouse workers from 75 employees as at 31 December 2023 to 92 employees as at 31 December 2024, to support higher production and operational requirements.

Our direct labour costs decreased slightly by approximately RM0.3 million or 9.1% to RM3.2 million for the FYE 2025 (FYE 2024: RM3.5 million), mainly due to the decrease in the number of production and warehouse workers from 92 employees as at 31 December 2024 to 85 employees as at 31 December 2025.

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**12. FINANCIAL INFORMATION (CONT'D)**

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**Depreciation**

Depreciation costs comprise the depreciation of plant and equipment during the Financial Years Under Review, as well as depreciation of right-of-use asset in relation to the rental of factory in FYE 2025.

Our depreciation costs increased by RM0.9 million or 69.9% to RM2.2 million for the FYE 2024 (FYE 2023: RM1.3 million), mainly arising from the depreciation of ASRS systems following the completion of installation in the FYE 2023.

Our depreciation costs further increased by RM1.3 million or 54.9% to RM3.5 million for the FYE 2025 (FYE 2024: RM2.2 million), mainly due to the depreciation of right-of-use assets for the rental of our factory.

**Other costs**

Other costs generally comprise rental of factory, logistics and transportation related expenses, including transportation, forwarding and freight costs, as well as customs duties for the purchase and delivery of input materials for our production.

Our other costs increased by RM0.2 million or 9.9% to RM2.4 million for the FYE 2024 (FYE 2023: RM2.2 million). This was mainly attributable to higher logistics and transportation costs, on the back of increased purchases of materials during the FYE 2024.

Our other costs decreased by RM0.8 million or 32.9% to RM1.6 million for the FYE 2025 (FYE 2024: RM2.4 million). This was mainly due to the absence of rental of factory, following the recognition of the said rental as right-of-use assets.

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**12. FINANCIAL INFORMATION (CONT'D)****12.3.4 GP and GP margin**

The breakdown of our GP and GP margin by business activities and products during the Financial Years Under Review is set out below:

	FYE 2023			FYE 2024			FYE 2025		
	GP		GP margin	GP		GP margin	GP		GP margin
	RM'000	%	%	RM'000	%	%	RM'000	%	%
<b>Production segment</b>									
• Seasoned flour premixes	41,169	84.2	42.1	53,113	83.6	45.5	67,987	82.9	51.2
• Seasoning premixes	1,218	2.5	20.6	2,886	4.5	31.6	3,705	4.5	39.8
• Other food base premixes <sup>(1)</sup>	423	0.8	57.1	629	1.0	59.3	975	1.2	72.7
	<b>42,810</b>	<b>87.5</b>	<b>41.0</b>	<b>56,628</b>	<b>89.1</b>	<b>44.6</b>	<b>72,667</b>	<b>88.6</b>	<b>50.7</b>
<b>Supply segment</b>									
• Food ingredients	4,083	8.4	16.7	5,735	9.0	21.1	7,214	8.8	28.6
• Food processing and production equipment	1,664	3.4	26.5	869	1.4	23.6	1,490	1.8	43.0
• Other related products and services <sup>(2)</sup>	357	0.7	12.9	305	0.5	10.9	615	0.8	19.0
	<b>6,104</b>	<b>12.5</b>	<b>18.2</b>	<b>6,909</b>	<b>10.9</b>	<b>20.5</b>	<b>9,319</b>	<b>11.4</b>	<b>29.2</b>
	<b>48,914</b>	<b>100.0</b>	<b>35.5</b>	<b>63,537</b>	<b>100.0</b>	<b>39.5</b>	<b>81,986</b>	<b>100.0</b>	<b>46.8</b>

**Notes:**

- (1) Include instant mashed potato mix, custard mix, cream soup premix, and gravy premix.
- (2) Include sales of related spare parts for the food processing and production equipment, as well as installation, repair and maintenance services.

**12. FINANCIAL INFORMATION (CONT'D)****FYE 2024 compared to FYE 2023**

Our total GP increased by RM14.6 million or 29.9% to RM63.5 million for the FYE 2024 (FYE 2023: RM48.9 million), and our GP margin improved from 35.5% for the FYE 2023 to 39.5% for the FYE 2024. The improvements in our GP and GP margin were contributed by both our production and supply segments.

**Production segment**

GP from our production segment increased by RM13.8 million or 32.3% to RM56.6 million for the FYE 2024 (FYE 2023: RM42.8 million). This was mainly driven by higher GP contribution from the sales of seasoned flour premixes, which increased by RM11.9 million or 29.0% to RM53.1 million for the FYE 2024 (FYE 2023: RM41.2 million), which was reflected in the growth of our Group's revenue and sales volume of seasoned flour premixes by 19.5% and 18.1% respectively during the FYE 2024.

GP margin from our production segment improved from 41.0% for the FYE 2023 to 44.6% for the FYE 2024, mainly attributable to improved margins from seasoned flour premixes under the production segment. The improvement was mainly attributable to lower input material costs, particularly wheat flour, where the average purchase price declined by 12.5% from approximately RM2,400 per tonne for the FYE 2023 to approximately RM2,100 per tonne for the FYE 2024. Wheat flour is a key input material used in the production of seasoned flour premixes, and during the Financial Years Under Review, the purchases of wheat flour generally constituted approximately 60% and 70% of our purchases of ingredients for the production segment.

Consequently, our Group's cost of sales increased at a lower rate by RM8.2 million or 9.2% to RM97.2 million for the FYE 2024 (FYE 2023: RM89.0 million), as compared to the increase in our Group's total revenue by RM22.8 million or 16.6% to RM160.7 million for the FYE 2024 (FYE 2023: RM137.9 million).

**Supply segment**

GP from our supply segment increased by RM0.8 million or 13.2% to RM6.9 million for the FYE 2024 (FYE 2023: RM6.1 million). This was mainly attributable to higher GP contribution from the supply of food ingredients, which increased by RM1.7 million or 40.5% to RM5.7 million for the FYE 2024 (FYE 2023: RM4.1 million), which was reflected in our revenue growth of 11.4% for the sales of food ingredients, driven by higher sales of seasonings.

GP margin from our supply segment improved from 18.2% for the FYE 2023 to 20.5% for the FYE 2024. This was mainly attributable to improvements in GP margin from the supply of food ingredients, which increased from 16.7% for the FYE 2023 to 21.1% for the FYE 2024. The improvement was primarily driven by better margins from the supply of starches, supported by lower average unit costs and higher sales volumes. In addition, the improvement in GP margin was partly contributed by higher average selling prices of casings, which increased by 6.9% during the FYE 2024, driven by the sales of higher-priced casings.

**FYE 2025 compared to FYE 2024**

Our total GP increased by RM18.5 million or 29.0% to RM82.0 million for the FYE 2025 (FYE 2024: RM63.5 million), and GP margin improved from 39.5% for the FYE 2024 to 46.8% for the FYE 2025. The improvements in our GP and GP margin were contributed by both our production and supply segments.

**12. FINANCIAL INFORMATION (CONT'D)****Production segment**

GP from our production segment increased by RM16.1 million or 28.3% to RM72.7 million for the FYE 2025 (FYE 2024: RM56.6 million). The improvement in the production segment was primarily driven by higher GP contribution from the sales of seasoned flour premixes, which increased by RM14.9 million or 28.0% to RM68.0 million for the FYE 2025 (FYE 2024: RM53.1 million). This was reflected in the growth of revenue and sales volume of seasoned flour premixes by 13.6% and 14.2% during the FYE 2025.

GP margin from our production segment improved from 44.6% for the FYE 2024 to 50.7% for the FYE 2025, primarily driven by improvement in the GP margin of seasoned flour premixes. The improvement was mainly attributable to further decrease in our average purchase price of wheat flour by 14.3% from approximately RM2,100 per tonne for the FYE 2024 to approximately RM1,800 per tonne for the FYE 2025 on the back of lower global wheat prices.

In addition, the improvement in our GP margin was also partly attributed to the appreciation of RM against foreign currencies such as the United States Dollar (USD), Renminbi (RMB) and Euro (EUR), resulting in lower material input costs as we sourced a portion of our input materials such as MSG, spices, seasonings, additives, flavourings and other ingredients from overseas. The purchases of materials in foreign currencies represented approximately 53.2% of our Group's total purchases for the FYE 2025 (FYE 2024: 54.7%). Consequently, this has resulted in a marginal decrease of our cost of sales by RM3.9 million or 4.0% to RM93.3 million for the FYE 2025 (FYE 2024: RM97.2 million), as compared to the increase in our Group's total revenue of RM14.6 million or 9.1% to RM175.3 million for the FYE 2025 (FYE 2024: RM160.7 million).

**Supply segment**

GP from our supply segment increased by RM2.4 million or 34.9% to RM9.3 million for the FYE 2025 (FYE 2024: RM6.9 million). This was mainly attributable to higher GP contribution from the supply of food ingredients, which increased by RM1.5 million or 25.8% to RM7.2 million for the FYE 2025 (FYE 2024: RM5.7 million), driven by the following:

- (i) an increase in GP of RM0.9 million from the sales of seasonings and starches, driven by higher sales of these products, as reflected in revenue growth of 44.0% and 16.5% for the FYE 2025 respectively; and
- (ii) an increase in GP of RM0.2 million from the sales of casings, despite a decrease in sales volume of 61.1% during the FYE 2025. The higher GP was mainly attributable to lower average unit costs, supported by a more favourable product mix arising from the sales of higher-priced product range. This was reflected in the decrease in average unit cost by 9.2% and an increase in average selling price by 17.3% during the FYE 2025.

The increase in GP from our supply segment was also partly contributed by higher GP from the supply of food processing and production equipment, which increased by RM0.6 million or 71.5% to RM1.5 million for the FYE 2025 (FYE 2024: RM0.9 million), driven by the sales of higher-margin equipment during the financial year.

**12. FINANCIAL INFORMATION (CONT'D)**

GP margin from our supply segment improved from 20.5% for the FYE 2024 to 29.2% for the FYE 2025, mainly driven by the following:

- (i) improvement in GP margin from the supply of food ingredients, with GP increasing by 25.8% during the FYE 2025, while GP margin improved from 21.1% for the FYE 2024 to 28.6% for the FYE 2025. This was driven by higher margins from the supply of casings and seasonings, attributable to a more favourable product mix with the sales of higher-priced casing products, as well as improved cost efficiencies in the supply of seasonings supported by higher sales volumes; and
- (ii) improvement in GP margin from the supply of food processing and production equipment, with GP increasing by 71.5%, while GP margin improved to 43.0% for the FYE 2025 (FYE 2024: 23.6%), driven by the sale of higher-margin equipment during the financial year.

**12.3.5 Finance and other income**

Our finance and other income for the Financial Years Under Review are set out below:

	FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%
<b>Finance income</b>	<b>234</b>	<b>27.1</b>	<b>157</b>	<b>12.3</b>	<b>124</b>	<b>16.8</b>
<b>Other income</b>						
• Government grant	150	17.4	214	16.8	104	14.1
• Net realised foreign exchange gain	-	-	104	8.2	151	20.5
• Gain on disposal of property, plant and equipment	160	18.5	120	9.4	6	0.8
• Rental income	222	25.7	232	18.2	222	30.1
• Insurance compensation	-	-	212	16.7	-	-
• Gain on lease termination	-	-	-	-	2	0.3
• Commission income	96	11.1	232	18.2	127	17.3
• Miscellaneous income	2	0.2	2	0.2	1	0.1
	<b>630</b>	<b>72.9</b>	<b>1,116</b>	<b>87.7</b>	<b>613</b>	<b>83.2</b>
	<b>864</b>	<b>100.0</b>	<b>1,273</b>	<b>100.0</b>	<b>737</b>	<b>100.0</b>

**FYE 2024 compared to FYE 2023**

Our finance and other income increased by RM0.4 million or 47.3% to RM1.3 million for the FYE 2024 (FYE 2023: RM0.9 million). This was mainly contributed by the following:

- (i) insurance compensation of RM0.2 million received during the FYE 2024 in relation to a fire incident at one of our rented shop units in Kota Kemuning, Selangor in 2023, which was caused by an electrical short circuit and resulted in loss of inventories but caused no casualty or injury. Following the incident, we did not renew the tenancy of the affected premises;
- (ii) increase in commission income of RM0.1 million, mainly attributable to commission received by our Group from a foreign supplier when the customers introduced by our Group purchased food processing and production equipment from the foreign supplier; and
- (iii) net realised foreign exchange gain of RM0.1 million, mainly attributed to the favourable movements in the RM against foreign currencies during the FYE 2024.

**12. FINANCIAL INFORMATION (CONT'D)****FYE 2025 compared to FYE 2024**

Our finance and other income decreased by RM0.6 million or 42.1% to RM0.7 million for the FYE 2025 (FYE 2024: RM1.3 million). This was mainly attributable to the following:

- (i) absence of insurance compensation during the FYE 2025 (FYE 2024: RM0.2 million);
- (ii) lower gain on disposal recognised during the FYE 2025, mainly due to higher gain on disposal of approximately RM0.1 million recognised during the previous FYE 2024 arising from the disposal of 2 passenger cars; and
- (iii) decrease in government grant income by RM0.1 million for the FYE 2025, relating to the grant received from the Malaysian Investment Development Authority (MIDA) under the Industry4WRD Readiness Assessment Intervention Programme for the adoption of the ASRS at our warehouse at Bestari HQ.

**12.3.6 Selling and distribution expenses**

Our selling and distribution expenses for the Financial Years Under Review are set out below:

	FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%
Marketing expenses	6,461	55.5	5,743	47.9	6,660	47.4
Transportation expenses	1,413	12.2	1,876	15.7	2,043	14.6
Rental of trucks	1,200	10.3	1,200	10.0	2,013	14.3
Travelling expenses	1,513	13.0	1,651	13.8	1,641	11.7
Selling expenses <sup>(1)</sup>	848	7.3	1,312	10.9	1,489	10.6
Others <sup>(2)</sup>	197	1.7	203	1.7	196	1.4
	<b>11,632</b>	<b>100.0</b>	<b>11,985</b>	<b>100.0</b>	<b>14,042</b>	<b>100.0</b>

**Notes:**

- (1) Selling expenses comprise listing fees and promotional fees stipulated under the trading terms with our customers who are supermarkets and hypermarkets.
- (2) Others comprise mainly wages and allowances for part-time staff engaged in events or exhibitions.

**FYE 2024 compared to FYE 2023**

Our selling and distribution expenses increased by RM0.4 million or 3.0% to RM12.0 million for the FYE 2024 (FYE 2023: RM11.6 million). This was primarily due to the following:

- (i) higher selling expenses of RM0.5 million, mainly promotional fees for block display at supermarkets and hypermarkets; and
- (ii) increase in transportation expenses of RM0.5 million on the back of higher sales, as reflected in the 16.6% growth in revenue for the FYE 2024.

The increase in selling and distribution expenses was partially offset by the decrease in marketing expenses of RM0.7 million, mainly due to reduced advertising and promotional activities during the financial year.

**12. FINANCIAL INFORMATION (CONT'D)****FYE 2025 compared to FYE 2024**

Our selling and distribution expenses increased by RM2.0 million or 17.2% to RM14.0 million for the FYE 2025 (FYE 2024: RM12.0 million). This was mainly attributable to the following:

- (i) increase in marketing expenses of RM0.9 million, due to increased advertising and promotional activities during the financial year; and
- (ii) increase in rental of trucks of RM0.8 million for the delivery of goods to our customers, on the back of higher sales, as reflected in the 9.1% growth in revenue for the FYE 2025.

**12.3.7 Administrative expenses**

Our administrative expenses for the Financial Years Under Review are set out below:

	FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%
Staff costs	10,043	40.8	13,793	47.5	14,192	57.9
Management fees <sup>(1)</sup>	9,780	39.7	9,780	33.7	2,961	12.1
Depreciation expenses	830	3.4	1,065	3.7	2,080	8.5
Rental expenses	1,515	6.2	1,430	4.9	792	3.2
Others <sup>(2)</sup>	2,448	9.9	2,961	10.2	4,503	18.3
	<b>24,616</b>	<b>100.0</b>	<b>29,029</b>	<b>100.0</b>	<b>24,528</b>	<b>100.0</b>

**Notes:**

- (1) Management fees paid to Core Perpetual for procurement and marketing support services included services to facilitate the procurement of goods, inventory planning, supplier coordination as well as market analysis, promotional activities and other marketing-related matters, while corporate support services covered services related to the legal, finance, human resources, accounting and information technology.
- (2) Comprise, among others, upkeep and maintenance, insurance, professional fees, utilities, authority fees, office expenses, staff welfare and factory expenses.

**FYE 2024 compared to FYE 2023**

Our administrative expenses increased by RM4.4 million or 17.9% to RM29.0 million for the FYE 2024 (FYE 2023: RM24.6 million). This was mainly attributable to an increase in staff costs of RM3.8 million, on the back of higher bonus payout and increased headcount during the financial year.

In addition, other expenses increased by RM0.5 million, mainly due to higher professional fees relating to legal fees for banking facilities.

**12. FINANCIAL INFORMATION (CONT'D)****FYE 2025 compared to FYE 2024**

Our administrative expenses decreased by RM4.5 million or 15.5% to RM24.5 million for the FYE 2025 (FYE 2024: RM29.0 million). This was mainly due to the decrease of RM6.8 million in management fees paid to Core Perpetual following the discontinuation of procurement and marketing support services since the beginning of the FYE 2025, as well as the internalisation of corporate support services by Synerchem Services since July 2025. This has resulted in operational cost savings through the elimination of overlapping procurement, marketing and administrative functions undertaken by both our Group and Core Perpetual.

The management fees paid to Core Perpetual for procurement and marketing support services included services to facilitate the procurement of goods, inventory planning, supplier coordination as well as market analysis, promotional activities and other marketing-related matters, while corporate support services covered services related to the legal, finance, human resources, accounting and information technology.

**12.3.8 Finance costs**

Our finance costs for the Financial Years Under Review are set out below:

	FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%
Interest expense on:						
• term loans	170	11.3	221	14.3	856	33.1
• lease liabilities	11	0.7	11	0.7	644	25.0
• hire purchase payables	28	1.8	22	1.5	17	0.7
• trust receipts	4	0.3	336	21.8	203	7.9
• bankers' acceptances	1,009	66.9	798	51.7	752	29.1
• bank overdraft	286	19.0	155	10.0	109	4.2
	<b>1,508</b>	<b>100.0</b>	<b>1,543</b>	<b>100.0</b>	<b>2,581</b>	<b>100.0</b>

**FYE 2024 compared to FYE 2023**

Our finance costs increased marginally during the FYE 2024 mainly due to higher interest expense on trust receipts utilised for working capital purposes, partially offset by lower interest expense on bankers' acceptances and bank overdraft resulting from lower utilisation of these facilities during the financial year.

**FYE 2025 compared to FYE 2024**

Our finance costs increased by RM1.1 million or 67.3% to RM2.6 million for the FYE 2025 (FYE 2024: RM1.5 million). This was primarily attributable to the following:

- (i) increase in interest expense on term loans of RM0.6 million, mainly arising from term loans drawn down during the FYE 2024 for dividend payment and working capital purposes; and
- (ii) increase in interest expense on lease liabilities of RM0.6 million, primarily due to the recognition of right-of-use assets and corresponding lease liabilities in respect of Bestari HQ.

The increase was partially offset by lower interest expense on trust receipts, bankers' acceptances and bank overdraft due to reduced utilisation of these banking facilities during the FYE 2025.

**12. FINANCIAL INFORMATION (CONT'D)****12.3.9 PBT, PBT margin, PAT and PAT margin**

	<u>FYE 2023</u>	<u>FYE 2024</u>	<u>FYE 2025</u>
PBT (RM'000)	12,022	22,253	41,572
PBT margin (%)	8.7	13.8	23.7
Tax expenses (RM'000)	2,839	5,709	10,540
Effective tax rate (%)	23.6	25.7	25.4
Statutory tax rate (%)	24.0	24.0	24.0
PAT (RM'000)	9,183	16,544	31,032
PAT margin (%)	6.7	10.3	17.7

**FYE 2024 compared to FYE 2023**

Our PBT increased by RM10.3 million or 85.1% to RM22.3 million for the FYE 2024 (FYE 2023: RM12.0 million), and our PBT margin improved from 8.7% for the FYE 2023 to 13.8% for the FYE 2024. This was mainly contributed by the increase in our GP and GP margin from the production segment, partly moderated by the increase in staff costs recognised in administrative expenses by RM3.8 million or 37.3% to RM13.8 million for the FYE 2024 (FYE 2023: RM10.0 million) due to higher bonus payout during the financial year.

Consequently, our PAT increased by RM7.3 million or 80.2% to RM16.5 million for the FYE 2024 (FYE 2023: RM9.2 million), while our PAT margin improved from 6.7% for the FYE 2023 to 10.3% for the FYE 2024.

Meanwhile, our effective tax rate was 25.7% for the FYE 2024, which was higher than the statutory tax rate of 24.0%. This was mainly attributable to non-deductible expenses, mainly depreciation, as well as adjustments to tax provisions made in prior years, which resulted in additional current income tax expense being recognised for the FYE 2024.

**FYE 2025 compared to FYE 2024**

Our PBT increased by RM19.3 million or 86.8% to RM41.6 million for the FYE 2025 (FYE 2024: RM22.3 million), and our PBT margin improved from 13.8% for the FYE 2024 to 23.7% for the FYE 2025. This was mainly contributed by higher GP and GP margin from the production segment.

The increase was also partially driven by a reduction in administrative expenses, which decreased by RM4.5 million or 15.5% to RM24.5 million for the FYE 2025 (FYE 2024: RM29.0 million) due to lower management fees paid to Core Perpetual as mentioned above.

Consequently, our PAT increased by RM14.5 million or 87.6% to RM31.0 million for the FYE 2025 (FYE 2024: RM16.5 million), while our PAT margin improved from 10.3% for the FYE 2024 to 17.7% for the FYE 2025.

Our effective tax rate was 25.4% for the FYE 2025, which was higher than the statutory tax rate of 24.0%, mainly attributable to non-deductible expenses, such as depreciation.

## 12. FINANCIAL INFORMATION (CONT'D)

### 12.3.10 Significant factors affecting our financial condition and results of operations

The significant factors affecting our operations and financial results are set out below:

**(i) Fluctuations in input material prices, particularly flour**

Our main input materials include wheat flour and seasonings, including salt, spices, herbs and other food additives, as well as other food ingredients used in our operations. Prices of flour and other food ingredients are inherently volatile and influenced by global commodity market conditions, including supply disruptions arising from adverse weather, geopolitical developments, and trade restrictions, as well as fluctuations in energy, fertiliser, and transportation costs. Any significant or sustained increase in the prices of flour, seasonings or other food ingredients may result in higher production costs. If we are unable to pass on the increased costs to our customers, it could negatively impact our financial performance.

Furthermore, any disruptions to the supply of these main input materials, due to adverse weather conditions, geopolitical factors, export restrictions, labour shortages, logistics constraints, or shifts in global demand, could lead to input materials shortages. A prolonged or unexpected shortage of these main input materials may result in production delays, increased procurement costs, or an inability to meet customer orders, all of which could adversely affect our business operations and financial performance.

**(ii) Fluctuations in logistics costs**

We are subject to fluctuations in logistics costs, including sea freight rates and forwarding charges for the procurement of input materials from foreign suppliers. In addition, we incur transportation costs for the delivery of our products across Peninsular Malaysia, East Malaysia, and to export markets.

Any sustained increase in logistics costs, including freight or transportation costs, may increase our overall cost base which may in turn have an impact on our financial performance.

**(iii) Impact of foreign exchange fluctuations**

For the Financial Years Under Review, our revenue was mainly derived from product sales transacted in local currency (RM). Meanwhile, our procurement of input materials was conducted in both local currency (RM) and foreign currencies (mainly SGD, USD, RMB, and EUR) for materials purchased from foreign suppliers.

As such, any significant fluctuations in exchange rates between RM and foreign currencies may have a material impact, either positive or negative, on our financial performance through transactions denominated in foreign currencies.

The details of our foreign exchange gains and losses are as follows:

	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FYE 2025</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>
Realised gains on foreign exchange	-	104	161
Realised losses on foreign exchange	(31)	-	(10)
<b>Net realised (losses) / gain</b>	<b>(31)</b>	<b>104</b>	<b>151</b>
Unrealised gains on foreign exchange	-	-	-
Unrealised losses on foreign exchange	-	7	3
<b>Net unrealised gain / (losses)</b>	<b>-</b>	<b>7</b>	<b>3</b>

## 12. FINANCIAL INFORMATION (CONT'D)

As at the LPD, we maintain foreign currency bank accounts in SGD, United States Dollar (USD), Renminbi (RMB), and Euro (EUR), mainly for payments to suppliers. For the Financial Years Under Review and up to the LPD, we used forward currency contracts to manage some of our foreign currency exposure in relation to purchases that are transacted and denominated in foreign currencies.

### (iv) Impact of interest rates

As at 31 December 2025, our total borrowings (excluding lease liabilities) were RM32.5 million and are all interest-bearing obligations, including RM21.3 million based on floating rates and RM11.2 million based on fixed rates. For the Financial Years Under Review, we incurred finance costs of RM1.5 million, RM1.5 million and RM2.6 million respectively. Hence, any increase in interest rates and/or additional drawdown of borrowings may have an impact on our financial performance. For the Financial Years Under Review and up to the LPD, we have not defaulted on any payments of either the principal sums and/or interests in relation to our borrowings.

### (v) Impact of inflation

Our financial performance for the Financial Years Under Review was not materially affected by the impact of inflation. Nevertheless, there is no assurance that inflation may not affect our future results of operations and financial performance.

### (vi) Government/economic/fiscal/monetary policies

Our business is subject to the risk relating to government, economic, fiscal or monetary policies in Malaysia and Singapore as well as in countries that we operate and/or transact business. Any unfavourable changes in such government, economic, fiscal or monetary policies may materially affect our operations.

#### 12.3.11 Significant changes on our financial position

There are no significant changes that have occurred which may have a material effect on the financial position and results of our Group subsequent to the FYE 2025, being our most recent annual financial statements.

## 12.4 LIQUIDITY AND CAPITAL RESOURCES

### 12.4.1 Working capital

Our business operations are financed by a combination of both internal and external sources of funds. Internal sources of funds comprise shareholders' equity and cash generated from our operations, while external sources were mainly banking facilities from financial institutions. These funds are used for our business operations and growth.

Based on our audited combined statements of financial position as at 31 December 2025, we have:

- (i) cash and bank balances with licensed banks (excluding term deposits pledged as security) of RM17.9 million;
- (ii) working capital of RM39.1 million, being the difference between our current assets of RM82.3 million and our current liabilities of RM43.2 million.

**12. FINANCIAL INFORMATION (CONT'D)**

After taking into consideration the funding requirements for our committed capital expenditures, our strategies and plans as set out in Section 7.18 of this Prospectus, our existing level of cash and bank balances, banking facilities available for utilisation, potential dividend distribution (including the interim dividend of up to RM23.5 million intended to be declared for the FYE 2026 as set out in Section 12.7 of this Prospectus), expected cash flows to be generated from our operations and the estimated net proceeds from the Public Issue, our Board is of the view that we have sufficient working capital for 12 months from the date of this Prospectus.

**12.4.2 Cash flows**

The summary of our combined statements of cash flows during the Financial Years Under Review is set out below:

	<b>FYE 2023</b> <b>(RM'000)</b>	<b>FYE 2024</b> <b>(RM'000)</b>	<b>FYE 2025</b> <b>(RM'000)</b>
Net cash from operating activities	7,496	20,932	44,488
Net cash (used in)/from investing activities	(5,878)	2,191	(573)
Net cash used in financing activities	(903)	(21,357)	(32,881)
<b>Net increase in cash and cash equivalents</b>	<b>715</b>	<b>1,766</b>	<b>11,034</b>
Cash and cash equivalents at the beginning of the financial year	4,460	5,208	6,939
Effects of exchange rate changes on cash and cash equivalents	33	(35)	(38)
<b>Cash and cash equivalent at the end of the financial year</b>	<b>5,208</b>	<b>6,939</b>	<b>17,935</b>

There are no legal, financial or economic restrictions on our subsidiaries' ability to transfer funds to our Company in the form of cash dividends, loans or advances, subject to availability of distributable reserves and/or loans or advances, and compliance with legal requirements and financial covenants.

**(i) Net cash from operating activities****FYE 2023**

For the FYE 2023, our operating profits before working capital changes were RM15.3 million. Our net cash from operating activities was RM7.5 million after taking into account the following:

- (a) an increase of RM5.3 million in receivables, mainly due to higher trade receivables as at 31 December 2023 arising from increased billings from sales of products in the last quarter of the FYE 2023;
- (b) an increase of RM1.1 million in payables, mainly attributable to higher other payables arising from increased accruals for the ASRS systems as well as bonuses and statutory contributions. The increase was also partly due to higher trade payables as at 31 December 2023, on the back of increased purchases during the last quarter of the FYE 2023; and
- (c) income tax and net interest paid of RM3.8 million.

**12. FINANCIAL INFORMATION (CONT'D)****FYE 2024**

For the FYE 2024, our operating profits before working capital changes were RM26.9 million. Our net cash from operating activities was RM20.9 million after taking into account the following:

- (a) a decrease of RM1.0 million in inventories, mainly due to higher usage of input materials, driven by higher production levels to fulfil increased customer orders during the FYE 2024;
- (b) an increase of RM1.0 million in receivables, mainly due to higher trade receivables from related parties as at 31 December 2024, arising from the sales of food processing and production equipment, as well as food ingredients for their manufacturing activities;
- (c) a decrease of RM0.9 million in payables mainly attributed to timely payments to suppliers due to improved collections from customers which strengthened our Group's cash flow position as well as the repayments of other payables during FYE 2024; and
- (d) income tax and net interest paid of RM5.1 million.

**FYE 2025**

For the FYE 2025, our operating profits before working capital changes were RM49.7 million. Our net cash from operating activities was RM44.5 million after taking into account the following:

- (a) a decrease of RM2.7 million in receivables, mainly attributable to lower trade receivables as at 31 December 2025 following the collection of past due amounts from our related parties;
- (b) an increase of RM1.4 million in inventories, mainly attributed to higher levels of input materials and packaging materials, arising from higher purchases in the last quarter of the FYE 2025, as well as higher finished goods held in preparation for the delivery of confirmed purchase orders in the 1st quarter of the FYE 2026;
- (c) an increase of RM1.0 million in payables mainly attributed to the increase in other payables on the back of higher accruals and upfront payments by a food manufacturer and a HORECA food service operator;
- (d) net income tax paid of RM7.5 million.

**(ii) Net cash used in / from investing activities****FYE 2023**

For the FYE 2023, our net cash used in investing activities was RM5.9 million. This was mainly attributable to cash payments of RM9.9 million for the installation of ASRS in our warehouse at Bestari HQ, partially offset by RM3.9 million from the net decrease in pledged deposits.

**12. FINANCIAL INFORMATION (CONT'D)****FYE 2024**

For the FYE 2024, our net cash from investing activities was RM2.2 million, mainly attributable to RM2.6 million arising from net decrease in pledged deposits. The net cash inflow was partially offset by RM0.6 million in cash payments for the purchase of machinery and equipment for our operations.

**FYE 2025**

For the FYE 2025, our net cash used in investing activities amounted to RM0.6 million, mainly attributable to RM0.8 million in cash payments for the purchase of machinery and equipment for our operations, as well as motor vehicles. This was partially offset by RM0.2 million arising from net decrease in pledged deposits.

**(iii) Net cash used in financing activities****FYE 2023**

For the FYE 2023, our net cash used in financing activities was RM0.9 million. This was mainly attributed to net drawdown of trust receipts of RM6.7 million for working capital purposes and drawdown of term loans of RM5.0 million to finance the purchase of ASRS for our warehouse.

The net cash from financing activities was partially offset by the following:

- (a) RM6.8 million used for the repayment to related parties in relation to advances provided to our Group for working capital purposes;
- (b) RM3.3 million used for the net repayment of bankers' acceptances, hire purchase payables and lease liabilities; and
- (c) interest paid of RM1.2 million.

**FYE 2024**

For the FYE 2024, our net cash used in financing activities was RM21.4 million. This was mainly attributed to dividends paid of RM53.0 million and RM5.1 million used for the net repayment of bankers' acceptances and term loans.

The net cash used in financing activities was partially offset by the following:

- (a) advances from related parties of RM11.6 million for working capital purposes, which have been fully settled as at the LPD;
- (b) RM10.0 million from the net drawdown of revolving credit which were utilised for working capital purposes;
- (c) RM9.0 million from the drawdown of term loans to partially finance the payment of dividends during the financial year; and
- (d) RM7.8 million from the net drawdown of trust receipts, which were utilised for working capital purposes.

**12. FINANCIAL INFORMATION (CONT'D)****FYE 2025**

For the FYE 2025, our net cash used in financing activities was RM32.9 million. This was mainly attributed to the following:

- (a) dividends paid of RM14.5 million;
- (b) net repayment of bank borrowings, including lease liabilities, amounting to RM25.4 million; and
- (c) interest paid of RM2.5 million.

The net cash used in financing activities was partially offset by advances from related parties of RM9.5 million for working capital purposes. As at the LPD, these advances have been fully settled.

**12.4.3 Borrowings**

As at 31 December 2025, our Group's total borrowings (excluding lease liabilities) were set out below:

	<b>As at 31 December 2025</b>		
	<b>Payable within 12 months</b>	<b>Payable after 12 months</b>	<b>Total</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>
Term loans <sup>(1)</sup>	2,765	7,739	10,504
Hire purchase payables <sup>(2)</sup>	239	430	669
Trust receipts <sup>(3)</sup>	2,043	-	2,043
Revolving credit <sup>(3)</sup>	4,000	-	4,000
Bankers' acceptances <sup>(3)</sup>	13,162	-	13,162
Bank overdraft <sup>(3)</sup>	2,169	-	2,169
	<b>24,378</b>	<b>8,169</b>	<b>32,547</b>

Gearing ratio<sup>(4)</sup> (times) 0.8

**Notes:**

- (1) Term loans were mainly utilised for working capital purposes as well as payment of dividends during the FYE 2024 amounting to RM9.0 million.
- (2) Hire purchase facilities were utilised for the purchase of motor vehicles.
- (3) Trust receipts, revolving credit, bankers' acceptances and bank overdraft were utilised for working capital purposes.
- (4) Computed as total borrowings (excluding lease liabilities) divided by NA.

As at 31 December 2025, all of our borrowings were denominated in RM and represented interest-bearing borrowings, including approximately RM21.3 million of floating-rate borrowings and approximately RM11.2 million of fixed-rate borrowings.

**12. FINANCIAL INFORMATION (CONT'D)**

The maturity profile and average interest rates of our borrowings as at 31 December 2025 are set out below:

	Interest rates per annum	As at 31 December 2025			Total (RM'000)
		Within 1 year (RM'000)	1 to 5 years (RM'000)	More than 5 years (RM'000)	
Term loans	3.00% to 4.86%	2,765	7,739	-	10,504
Hire purchase payables	2.00% to 3.64%	239	430	-	669
Trust receipts	4.17% to 4.38%	2,043	-	-	2,043
Revolving credit	3.69% to 4.37%	4,000	-	-	4,000
Bankers' acceptances	3.16% to 4.93%	13,162	-	-	13,162
Bank overdraft	7.57% to 8.32%	2,169	-	-	2,169
		<b>24,378</b>	<b>8,169</b>	-	<b>32,547</b>

Our Group has not defaulted on any payment of either principal sums and/or interest in relation to our borrowings for the Financial Years Under Review and up to the LPD.

We did not encounter any seasonality in our borrowing trends and there are no restrictions on our committed facilities.

As at the LPD, our Group is not in breach of any terms and conditions or covenants associated with the credit arrangements or bank loans, which can materially affect the financial position and results of business operations or investments by holders of securities in our Group.

**12.4.4 Financial instruments, treasury policies and objectives**

For the Financial Years Under Review and up to the LPD, we used forward currency contracts to manage part of our foreign currency exposure in relation to purchases that are transacted and denominated in foreign currencies. Please refer to the Accountants' Report as set out in Section 13 of this Prospectus for further details.

Our Group's operations have been funded by shareholders' equity and cash generated from our operations, as well as external sources of funds, which include banking facilities from financial institutions. The credit terms granted by our suppliers range from 30 to 60 days. As at the LPD, our Group's banking facilities from financial institutions mainly consist of revolving credit, bankers' acceptances, bank overdraft, letter of credit and term loans for working capital purposes.

The interest rates for our borrowings are based on the market rates prevailing at the dates of the respective transactions. As at the LPD, our Group has available banking facilities amounting to RM58.1 million, of which RM37.8 million has yet to be utilised.

The main objective of our capital management is to maintain a sustainable level of shareholders' equity to support and grow our business, and to maximise our shareholders' value. We review and manage our capital structure to ensure that our debt-to-equity ratio remains at an optimal level, based on business requirements and prevailing economic conditions.

**12. FINANCIAL INFORMATION (CONT'D)****12.4.5 Material capital commitment**

As at the LPD, our Group's material commitments for capital expenditure are summarised below:

	<b>Source of funds</b>		
	<b>Internally generated funds / Bank borrowings (RM'000)</b>	<b>Proceeds from the Public Issue (RM'000)</b>	<b>Capital commitment (RM'000)</b>
Setting up a new production facility	[•]	[•]	[•]
Purchase new machinery and equipment	[•]	[•]	[•]
	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>

**12.4.6 Contingent liabilities**

As at the LPD, we do not have any contingent liabilities, which upon becoming enforceable, may have a material adverse impact on our results of operations or financial position of our Group.

**12.4.7 Key financial ratios**

Our key financial ratios for the Financial Years Under Review are as follows:

	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FYE 2025</b>
Trade receivables turnover period <sup>(1)</sup> (days)	89	84	75
Trade payables turnover period <sup>(2)</sup> (days)	38	35	37
Inventories turnover period <sup>(3)</sup> (days)	76	67	71
Current ratio <sup>(4)</sup> (times)	2.2	1.4	1.9
Gearing ratio <sup>(5)</sup> (times)	0.6	2.1	0.8

**Notes:**

- (1) Computed based on average trade receivables over our revenue for the respective financial years multiplied by 365 days for the FYE 2023 and FYE 2025, and 366 days for the FYE 2024. The normal credit terms granted to our Group's customers range from 30 days to 90 days.
- (2) Computed based on average trade payables over our cost of sales for the respective financial years multiplied by 365 days for the FYE 2023 and FYE 2025, and 366 days for the FYE 2024. The normal credit terms extended by suppliers to our Group range from 30 days to 60 days.
- (3) Computed based on average inventories over our cost of sales for the respective financial years multiplied by 365 days for the FYE 2023 and FYE 2025, and 366 days for the FYE 2024.
- (4) Computed as current assets divided by current liabilities.
- (5) Computed as total borrowings (excluding lease liabilities) divided by NA.

**12. FINANCIAL INFORMATION (CONT'D)****(i) Trade receivables turnover period**

A summary of our trade receivables turnover period during the Financial Years Under Review is set out below:

	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FYE 2025</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>
Average trade receivables	33,732	37,033	35,853
Revenue	137,865	160,691	175,323
Trade receivables turnover period <sup>(1)</sup> (days)	89	84	75

**Note:**

- (1) Computed based on average trade receivables over our revenue for the respective financial years, and multiplied by 365 days for the FYE 2023 and FYE 2025, and 366 days for the FYE 2024.

The normal credit terms granted to our customers range from 30 to 90 days. Our average trade receivables turnover period improved from 89 days for the FYE 2023 to 84 days for the FYE 2024, mainly attributable to improved collections from our customers, particularly distributors, following the implementation of enhanced credit control practices, including more frequent engagement with customers and closer monitoring of outstanding receivables. This was reflected in the lower proportion of outstanding trade receivables to revenue, which decreased from 26.2% for the FYE 2023 to 23.6% for the FYE 2024.

Our average trade receivables turnover period further improved to 75 days for the FYE 2025, mainly due to lower outstanding receivables following the collection of past-due amounts from our related parties, as well as improved collections from customers, supported by ongoing enhancements to our credit control practices. This was reflected in the further reduction in the proportion of outstanding trade receivables to revenue to 19.3% for the FYE 2025 (FYE 2024: 23.6%).

The ageing analysis of our trade receivables as at 31 December 2025 is as follows:

	<b>As at 31</b>	<b>Subsequent</b>	<b>Balance</b>
	<b>December 2025</b>	<b>collections up</b>	<b></b>
	<b>(RM'000)</b>	<b>to the LPD</b>	<b>(RM'000)</b>
Current	28,108	27,980	128
1 - 30 days past due	2,980	2,813	167
31 - 60 days past due	700	661	39
61 - 90 days past due	568	449	119
91 - 120 days past due	45	28	17
More than 120 days past due	1,385	233	<sup>(1)</sup> 1,152
	<b>33,786</b>	<b>32,164</b>	<b>1,622</b>

**Note:**

- (1) As at the LPD, the balance of trade receivables which were past due for more than 120 days of approximately RM1.2 million were primarily due to delayed collections from certain food manufacturers who had requested for additional time to settle the outstanding amounts. Notwithstanding this, we continue to engage with these customers and have been receiving progressive payments from them. In view of our ongoing business relationship with these customers, we are of the view that the outstanding amounts are recoverable.

**12. FINANCIAL INFORMATION (CONT'D)**

As at the LPD, we have collected approximately RM32.2 million or 95.2% of the total trade receivables which were outstanding as at 31 December 2025. In respect of our balance trade receivables that were past due, there is no indication of significant default risk based on our credit risk assessment on customers' profile and their historical payment trend.

Our Board is of the view that the remaining outstanding trade receivables are recoverable and no provision for impairment is required after taking into consideration our relationship with these customers and their historical payment trend.

**(ii) Trade payables turnover period**

A summary of our trade payables turnover period during the Financial Years Under Review is set out below:

	<b>FYE 2023</b> <b>(RM'000)</b>	<b>FYE 2024</b> <b>(RM'000)</b>	<b>FYE 2025</b> <b>(RM'000)</b>
Average trade payables	9,303	9,393	9,382
Cost of sales	88,951	97,154	93,337
Trade payables turnover period <sup>(1)</sup> (days)	38	35	37

**Note:**

- (1) Computed based on average trade payables over our cost of sales for the respective financial years, and multiplied by 365 days for the FYE 2023 and FYE 2025, and 366 days for the FYE 2024.

The normal credit terms extended by our suppliers range from 30 days to 60 days. Our average trade payables turnover period decreased from 38 days for the FYE 2023 to 35 days for the FYE 2024, mainly attributable to timely payments to suppliers due to improved collections from customers which strengthened our cash flow position. This was reflected in the lower proportion of outstanding trade payables to cost of sales, which declined from 10.7% for the FYE 2023 to 9.6% for the FYE 2024.

Our average trade payables turnover period increased to 37 days for the FYE 2025, mainly attributed to higher outstanding trade payables as at 31 December 2025. This was driven by higher purchases of input materials and packaging materials during the last quarter of the FYE 2025, and consequently the proportion of outstanding trade payables to costs of sales increased from 9.6% for the FYE 2024 to 10.1% for the FYE 2025.

The ageing analysis of our trade payables as at 31 December 2025 is as follows:

	<b>As at 31</b> <b>December 2025</b> <b>(RM'000)</b>	<b>Subsequent</b> <b>payments up to</b> <b>the LPD</b> <b>(RM'000)</b>	<b>Balance</b> <b>(RM'000)</b>
Current	3,792	3,792	-
1 - 30 days past due	2,840	2,840	-
31 - 60 days past due	1,086	1,086	-
61 - 90 days past due	466	466	-
91 – 120 days past due	698	698	-
More than 120 days past due	589	452	137
	<b>9,471</b>	<b>9,334</b>	<b>137</b>

**12. FINANCIAL INFORMATION (CONT'D)**

As at the LPD, we have settled approximately RM9.3 million or 98.6% of the total trade payables which were outstanding as at 31 December 2025. In this respect, there was no matter in dispute with respect to trade payables, or legal action initiated by any of our suppliers to demand for payment.

**(iii) Inventories turnover period**

A summary of our inventories turnover period during the Financial Years Under Review is set out below:

	<b>FYE 2023</b> <b>(RM'000)</b>	<b>FYE 2024</b> <b>(RM'000)</b>	<b>FYE 2025</b> <b>(RM'000)</b>
Average inventories	18,499	17,884	18,096
Cost of sales	88,951	97,154	93,337
Inventories turnover period <sup>(1)</sup> (days)	76	67	71

**Note:**

- (1) Computed based on average inventories over our cost of sales for the respective financial years, and multiplied by 365 days for the FYE 2023 and FYE 2025, and 366 days for the FYE 2024.

Our inventories mainly comprise the following:

- (a) input materials, including the materials used for the production of food premixes as well as food ingredients that we repack and/or supply.
- (b) packaging materials, for our food premixes as well as food ingredients that we repack;
- (c) finished goods, comprising in-house produced food premixes; and
- (d) food processing and production equipment that we supply and related spare parts.

Our average inventories turnover period decreased from 76 days for the FYE 2023 to 67 days for the FYE 2024, mainly driven by higher production levels to fulfil increased customer orders, as reflected in the growth in our Group's revenue and sales volume during the FYE 2024. This in turn resulted in higher utilisation of input materials held under inventories.

Our average inventories turnover period subsequently increased to 71 days for the FYE 2025, mainly attributable to higher levels of input materials and packaging inventories arising from increased purchases during the last quarter of the FYE 2025, as well as higher finished goods held in preparation for the delivery of confirmed purchase orders in the 1<sup>st</sup> quarter of the FYE 2026.

**(iv) Current ratio**

A summary of our current ratio for the Financial Years Under Review is as follows:

	<b>FYE 2023</b> <b>(RM'000)</b>	<b>FYE 2024</b> <b>(RM'000)</b>	<b>FYE 2025</b> <b>(RM'000)</b>
Current assets	100,721	84,763	82,282
Current liabilities	46,159	58,710	43,149
Current ratio <sup>(1)</sup> (times)	2.2	1.4	1.9

**12. FINANCIAL INFORMATION (CONT'D)****Note:**

(1) Computed as current assets divided by current liabilities.

Our current ratio decreased from 2.2 times as at 31 December 2023 to 1.4 times as at 31 December 2024. This was mainly attributable to the collection of outstanding amount owing from related parties as well as an increase in short-term borrowings, mainly revolving credit facilities and trust receipts used for working capital purposes.

Our current ratio subsequently increased to 1.9 times as at 31 December 2025, mainly attributable to a decrease in borrowings following the repayment of trust receipts and revolving credit facilities during the FYE 2025.

**(v) Gearing ratio**

A summary of our gearing ratio for the Financial Years Under Review is as follows:

	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FYE 2025</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>
<b>Borrowings</b>			
• Term loans	6,078	13,659	10,504
• Hire purchase payables	541	413	669
• Trust receipts	6,989	14,745	2,043
• Revolving credit	-	10,000	4,000
• Bankers' acceptances	17,786	14,145	13,162
• Bank overdraft	3,710	2,883	2,169
	<b>35,104</b>	<b>55,845</b>	<b>32,547</b>
NA	62,685	26,193	42,687
Gearing ratio (times) <sup>(1)</sup>	0.6	2.1	0.8

**Note:**

(1) Computed as total borrowings (excluding lease liabilities) divided by NA.

Our gearing ratio increased from 0.6 times as at 31 December 2023 to 2.1 times as at 31 December 2024. This was mainly attributable to a decrease in equity as at 31 December 2024 following the payment of dividends amounting to RM53.0 million for the FYE 2024. The increase in gearing ratio was also partly attributed to higher borrowings from financial institutions, mainly driven by utilisation of term loan, trust receipts and revolving credit facilities for working capital purposes. In addition, a term loan of RM9.0 million was utilised to partially finance the payment of the abovementioned dividends during the financial year.

Our gearing ratio subsequently decreased to 0.8 times as at 31 December 2025. This was mainly attributable to the increase in retained earnings on the back of the higher PAT generated during the FYE 2025. The decrease was also partly due to lower outstanding borrowings following the repayment of trust receipts and revolving credit facilities during the FYE 2025.

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**12. FINANCIAL INFORMATION (CONT'D)**

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**12.5 ORDER BOOK**

Generally, our sales are derived from purchase orders issued by our customers. In this respect, we do not maintain an order book due to the nature of our business.

**12.6 TREND INFORMATION**

As at the LPD, save as disclosed in this Prospectus, our operations have not been and are not expected to be affected by any of the following:

- (i) known trends, demands, commitments, events or uncertainties that have had, or that we reasonably expect to have, a material favourable or unfavourable impact on our financial performance, position and operations, save as set out in Sections 8 and 9 of this Prospectus;
- (ii) unusual, infrequent events or transactions or any significant economic changes that have materially affected our financial performance, position and operations;
- (iii) known trends, demands, commitments, events or uncertainties that had resulted in a material impact on our revenue and/or profits, and our strategies and plans as set out in Section 7.18 of this Prospectus;
- (iv) known trends, demands, commitments, events or uncertainties such as the Middle East conflict that are reasonably likely to make our historical combined financial statements not indicative of the future financial performance and position; and
- (v) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our liquidity and capital resources.

**12.7 DIVIDEND POLICY**

It is the intention of our Board to recommend and distribute dividends of up to 30.0% of our annual audited PAT attributable to our shareholders after taking into consideration, among others, any applicable regulations, our working capital requirements, the financial and cash flow position of our Group as well as our projected levels of expenditure and other investment plans. This will allow our shareholders to participate in the profits of our Group while leaving adequate reserves for the future growth of our Group.

Notwithstanding our intention above, as we are an investment holding company, our income and ability to pay dividends are dependent upon the dividends received from our subsidiaries. The payment of dividends by our subsidiaries is dependent on their distributable profits, financial performance and cash flow requirements for operations and capital expenditures, the covenants in their existing loan agreements which require prior written consent from the respective financial institutions for the payment of dividends of more than certain percentage of their respective PAT as well as other factors.

In Singapore, the one-tier corporate tax system is adopted whereby the tax paid by a Singapore tax resident company (other than a co-operative) is a final tax and after-tax profits of the Singapore tax resident company can be distributed to its shareholders as tax-exempt dividends. Such dividends are exempted in the hands of all shareholders, regardless of the tax residency status of the shareholders. Singapore does not impose taxes on capital gains. There is no Singapore withholding tax on dividends paid to resident and non-resident shareholders.

**12. FINANCIAL INFORMATION (CONT'D)**

For information purposes, the dividends declared and paid by our Group for the Financial Years Under Review are as follows:

	<b>FYE 2023</b> <b>(RM'000)</b>	<b>FYE 2024</b> <b>(RM'000)</b>	<b>FYE 2025</b> <b>(RM'000)</b>
Dividends declared	300	53,000	21,500
Dividends paid	300	<sup>(2)</sup> 53,000	<sup>(3)</sup> 14,500
PAT	9,183	16,544	31,032
Dividend payout ratio <sup>(1)</sup>	3.3%	320.4%	69.3%

**Notes:**

- (1) Computed as dividends declared divided by PAT.
- (2) RM9.0 million was funded via bank borrowings as part of our Group's capital management strategy to optimise our capital structure, taking advantage of available debt capacity and low cost of borrowings. This approach also enables our Group to maintain sufficient cash reserves for working capital and operational needs, while preserving financial flexibility for future investments and growth initiatives, without materially increasing our financial risk. As at the LPD, the outstanding balance of the bank borrowings used to partially fund the payment of dividends during the FYE 2024 amounted to RM6.5 million.
- (3) The remaining RM7.0 million was subsequently paid in March 2026.

Subsequent to the FYE 2025 and up to the LPD, no dividends were declared by our Group, save for an interim dividend of RM1.5 million for the FYE 2026, which was paid in March 2026.

The dividends declared and paid for the Financial Years Under Review and up to the LPD were funded via internally generated funds, which were in excess of our Group's funding requirements for our business operations.

Further, our Group intends to declare an interim dividend amounting up to RM23.5 million for the FYE 2026. The said dividend is expected to be paid in September 2026 and will be funded via our internally generated funds. It is not expected to have any material impact on our Group's funding requirements or the implementation of our strategies and plans moving forward.

Investors should note that this dividend policy merely describes our present intention and shall not constitute legally binding statements in respect of our future dividends which are subject to modification (including non-declaration) thereof at our Board's discretion. We cannot assure you that we will be able to pay dividends or that our Board will declare dividends in the future. There can also be no assurance that further dividends declared by our Board, if any, will not differ materially from historical payouts. Please refer to Section 9.3.5 of this Prospectus for the risk factor which may affect our ability to pay dividends.

No inference should be made from any of the foregoing statements as to our actual future profitability or our ability to pay dividends in the future.

**12. FINANCIAL INFORMATION (CONT'D)****12.8 REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION**

9 June 2026

The Board of Directors  
**Bestari Food Berhad**  
 Lot 29119, Jalan Rajawali  
 Batu 9, Kampung Kebun Baru  
 42500 Telok Panglima Garang  
 Kuala Langat  
 Selangor

Baker Tilly Monteiro Heng PLT  
 201906000600(LLP0019411-LCA)  
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Dear Sir/Madam,

**BESTARI FOOD BERHAD (“BESTARI FOOD” or the “Company”)****REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025**

We have completed our assurance engagement to report on the compilation of the pro forma combined statements of financial position of Bestari Food and its combining entities, namely Synerchem Food Processing Industry Sdn Bhd, Synerchem Ingredients Sdn Bhd, Synerchem Engineering Sdn Bhd, Bestari Sales & Marketing Sdn Bhd, Synerchem Services Sdn Bhd, Bestari (S) Pte Ltd and Synerchem (S) Pte Ltd, (collectively referred to as the “Group”) for which the Board of Directors of Bestari Food is solely responsible. The pro forma combined statements of financial position consists of the pro forma combined statements of financial position as at 31 December 2025 together with the accompanying notes thereon, as set out in the accompanying statements, for which we have stamped for the purpose of identification. The applicable criteria on the basis of which the Board of Directors of Bestari Food has compiled the pro forma combined statements of financial position are as described in Note 2 to the pro forma combined statements of financial position and in accordance with the requirements of the *Prospectus Guidelines* issued by the Securities Commission Malaysia (“Prospectus Guidelines”) and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants (“Applicable Criteria”).

The pro forma combined statements of financial position of the Group has been compiled by the Board of Directors of Bestari Food, for illustrative purposes only, for inclusion in the prospectus of Bestari Food (“Prospectus”) in connection with the listing of and quotation for the entire enlarged issued share capital of Bestari Food on the Main Market of Bursa Malaysia Securities Berhad Listing, after making certain assumptions and such adjustments to show the effects on the pro forma combined financial position of the Group as at 31 December 2025 adjusted for the subsequent events, acquisitions, public issue, offer for sale and utilisation of proceeds as described in Notes 1.2, 1.3.1, 1.3.2, 1.3.3 and 3.2.2 respectively.

**12. FINANCIAL INFORMATION (CONT'D)****BESTARI FOOD BERHAD**

Reporting Accountants' Report on the Compilation of the  
Pro Forma Combined Statements of Financial Position  
as at 31 December 2025

As part of this process, information about the Group's pro forma combined financial position has been extracted by the Board of Directors of Bestari Food from the audited combined financial statements of the Group for the financial year ended ("FYE") 31 December 2025, on which a reporting accountants' report dated 9 June 2026 has been issued.

The audited combined financial statements of the Group for the FYE 31 December 2025 were reported by us to the Board of Directors of Bestari Food without any modifications.

**Directors' Responsibility for the Pro Forma Combined Statements of Financial Position**

The Board of Directors of Bestari Food is responsible for compiling the pro forma combined statements of financial position based on the Applicable Criteria.

**Our Independence and Quality Control**

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our firm applies *International Standard on Quality Management 1 (ISQM 1), Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountants' Responsibilities**

Our responsibility is to express an opinion, on whether the pro forma combined statements of financial position has been compiled, in all material respects, by the Board of Directors of Bestari Food based on the Applicable Criteria.

We conducted our engagement in accordance with *International Standard on Assurance Engagements (ISAE) 3420: Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Board of Directors of Bestari Food has compiled, in all material respects, the pro forma combined statements of financial position based on the Applicable Criteria.

**12. FINANCIAL INFORMATION (CONT'D)****BESTARI FOOD BERHAD**

Reporting Accountants' Report on the Compilation of the  
Pro Forma Combined Statements of Financial Position  
as at 31 December 2025

**Reporting Accountants' Responsibilities (Continued)**

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma combined statements of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma combined statements of financial position.

The purpose of the pro forma combined statements of financial position included in the Prospectus is solely to illustrate the impact of significant events or transactions on the unadjusted financial information of the Group as if the events had occurred or the transaction had been undertaken at an earlier date selected for illustrative purposes only. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

A reasonable assurance engagement to report on whether the pro forma combined statements of financial position has been compiled, in all material respects, based on the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Board of Directors of Bestari Food in the compilation of the pro forma combined statements of financial position of the Group provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- (a) the related pro forma adjustments give appropriate effect to those criteria; and
- (b) the pro forma combined statements of financial position reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the pro forma combined statements of financial position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma combined statements of financial position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Our opinion**

In our opinion the pro forma combined statements of financial position of the Group have been compiled, in all material respects, on the basis as described in the notes thereon on the pro forma combined statements of financial position and in accordance with the requirements of the Applicable Criteria.

**12. FINANCIAL INFORMATION (CONT'D)**

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**BESTARI FOOD BERHAD**

Reporting Accountants' Report on the Compilation of the  
Pro Forma Combined Statements of Financial Position  
as at 31 December 2025

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**Other Matters**

This report has been prepared for inclusion in the Prospectus in connection with the Listing. As such, this report should not be used, circulated, quoted or otherwise referred to in any document or used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this report contrary to the aforesaid purpose.

Yours faithfully,

A handwritten signature in black ink that reads "Baker Tilly" in a cursive, stylized font.

Baker Tilly Monteiro Heng PLT  
201906000600 (LLP0019411-LCA) & AF 0117  
Chartered Accountants

A handwritten signature in black ink, appearing to be "Paul Tan Hong" in a stylized, blocky font.

Paul Tan Hong  
No. 03459/11/2027 J  
Chartered Accountant

**12. FINANCIAL INFORMATION (CONT'D)****BESTARI FOOD BERHAD****PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION****1. INTRODUCTION**

The pro forma combined statements of financial position of Bestari Food Berhad (“Bestari Food ” or the “Company”) and its combining entities, namely Synerchem Food Processing Industry Sdn Bhd (“Synerchem Food Processing”), Synerchem Ingredients Sdn Bhd (“Synerchem Ingredients”), Synerchem Engineering Sdn Bhd (“Synerchem Engineering”), Bestari Sales & Marketing Sdn Bhd (“Bestari Sales”), Synerchem Services Sdn Bhd (“Synerchem Services”), Synerchem (S) Pte. Ltd. (“Synerchem (S)”) and Bestari (S) Pte. Ltd. (“Bestari (S)”) (hereinafter collectively referred to as the “Group”) has been compiled by the Board of Directors of Bestari Food (“Board”), for illustrative purposes only, for inclusion in the prospectus of Bestari Food in connection with the listing of and quotation for the entire enlarged issued share capital of Bestari Food (“Bestari Food Share(s)” or “Share(s)”) on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing”).

1.1 In conjunction with the admission of Bestari Food to the Official List of the Main Market of Bursa Securities and the Listing, Bestari Food had undertaken the following transactions:

**1.2 Subsequent Events****1.2.1 Declaration of dividends**

On 2 March 2026, Bestari Sales declared a single-tier interim dividend of RM1,500,000 and paid on 5 March 2026.

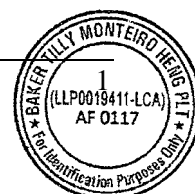
On 2 March 2026, Synerchem Food Processing declared a single-tier interim dividend of RM5,500,000 and paid on 5 March 2026.

On 2 March 2026, Synerchem Ingredients declared a single-tier interim dividend of RM1,500,000 and paid on 18 March 2026.

**1.3 Listing Scheme****1.3.1 Acquisitions**

On 10 April 2026, Bestari Food entered into conditional share sale agreements for the following:

- (i) acquisition of the entire issued share capital of Synerchem Food Processing of RM300,000 comprising 300,000 ordinary shares from the shareholders of Synerchem Food Processing for a total purchase consideration of RM22,635,860 to be satisfied entirely via the allotment and issuance of 226,358,600 new Bestari Food Shares at an issue price of RM0.10 per Bestari Food Share (“Acquisition of Synerchem Food Processing”);



**12. FINANCIAL INFORMATION (CONT'D)****BESTARI FOOD BERHAD****PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

1. (Continued)

1.3 (Continued)

**1.3.1 Acquisitions (continued)**

- (ii) acquisition of the entire issued share capital of Synerchem Ingredients of RM1,250,000 comprising 1,250,000 ordinary shares from the shareholders of Synerchem Ingredients for a total purchase consideration of RM8,273,770 to be satisfied entirely via the allotment and issuance of 82,737,700 new Bestari Food Shares at an issue price of RM0.10 per Bestari Food Share (“Acquisition of Synerchem Ingredients”);
- (iii) acquisition of the entire issued share capital of Synerchem Engineering of RM150,000 comprising 150,000 ordinary shares from the shareholders of Synerchem Engineering for a total purchase consideration of RM3,628,080 to be satisfied entirely via the allotment and issuance of 36,280,800 new Bestari Food Shares at an issue price of RM0.10 per Bestari Food Share (“Acquisition of Synerchem Engineering”);
- (iv) acquisition of the entire issued share capital of Bestari Sales of RM250,000 comprising 250,000 ordinary shares from the shareholders of Bestari Sales for a total purchase consideration of RM2,755,220 to be satisfied entirely via the allotment and issuance of 27,552,200 new Bestari Food Shares at an issue price of RM0.10 per Bestari Food Share (“Acquisition of Bestari Sales”);
- (v) acquisition of the entire issued share capital of Synerchem Services of RM1,000 comprising 1,000 ordinary shares from the shareholder of Synerchem Services for a total purchase consideration of RM10 to be satisfied entirely via the allotment and issuance of 100 new Bestari Food Shares at an issue price of RM0.10 per Bestari Food Share (“Acquisition of Synerchem Services”);
- (vi) acquisition of the entire issued share capital of Synerchem (S) of RM32,740 (SGD10,000) comprising 10,000 ordinary shares from the shareholder of Synerchem (S) for a total purchase consideration of RM10 to be satisfied entirely via the allotment and issuance of 100 new Bestari Food Shares at an issue price of RM0.10 per Bestari Food Share (“Acquisition of Synerchem (S)”); and
- (vii) acquisition of the entire issued share capital of Bestari (S) of RM7 (SGD2) comprising 2 ordinary shares from the shareholders of Bestari (S) for a total purchase consideration of RM10 to be satisfied entirely via the allotment and issuance of 100 new Bestari Food Shares at an issue price of RM0.10 per Bestari Food Share (“Acquisition of Bestari (S)”).

(Collectively hereinafter referred to as “Acquisitions”)



**12. FINANCIAL INFORMATION (CONT'D)****BESTARI FOOD BERHAD****PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

1. (Continued)

1.3 (Continued)

**1.3.1 Acquisitions (continued)**

For information purposes, the total purchase consideration of RM37,292,960 for the Acquisitions was arrived at on a “willing-buyer willing-seller” basis after taking into consideration the latest audited net assets (“NA”) or net liabilities (“NL”) of the respective companies as at 31 December 2025, and adjusted for dividends paid subsequent to 31 December 2025 as described in Note 1.2.1 to the pro forma combined statements of financial position.

**1.3.2 Public Issue**

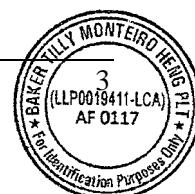
The Public Issue of 77,070,300 new Shares, representing 17.1% of the enlarged issued share capital, at a retail price of RM[•] per Share will be allocated in the following manner:

- (i) 22,500,000 Issue Shares under the Public Issue (“Issue Share(s)”), representing 5.0% of enlarged share capital, will be offered to the Malaysian Public by way of balloting;
- (ii) 10,820,300 Issue Shares, representing approximately 2.4% of enlarged share capital, will be made available for application by the eligible Directors, employees of the Group and persons who have contributed to the success of the Group; and
- (iii) 43,750,000 Issue Shares, representing approximately 9.7% of enlarged share capital, will be made available for private placement to institutional and selected investors.

(Collectively hereinafter referred to as “Public Issue”).

**1.3.3 Offer for Sale**

Offer for sale of up to 56,250,000 existing Shares at a retail price of RM[•] per Share representing 12.5% of the enlarged share capital, will be made available by way of private placement to Bumiputera investors approved by the Ministry of Investment, Trade and Industry of Malaysia.



**12. FINANCIAL INFORMATION (CONT'D)****BESTARI FOOD BERHAD****PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

1. (Continued)

1.3 (Continued)

**1.3.4 Listing**

Upon completion of the Listing, the Company shall be admitted to the official list and the listing of and quotation for the entire enlarged issued share capital of RM[•] comprising 450,000,000 Shares shall be listed on the Main Market of Bursa Securities.

**2. BASIS OF PREPARATION OF THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION**

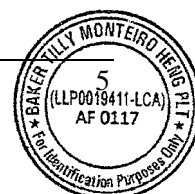
- 2.1 The pro forma combined statements of financial position have been prepared to illustrate the pro forma combined financial position of the Group as at 31 December 2025, adjusted for the subsequent events, Acquisitions, Public Issue, Offer for Sale and utilisation of proceeds as described in Notes 1.2, 1.3.1, 1.3.2, 1.3.3 and 3.2.2 respectively.
- 2.2 The pro forma combined statements of financial position have been prepared based on the audited combined financial statements of the Group for the financial year ended (“FYE”) 31 December 2025.
- 2.3 The audited combined financial statements of the Group for the FYE 31 December 2025 were reported by the auditors to the members without any modifications.
- 2.4 The pro forma combined statements of financial position of the Group have been prepared for illustrative purposes only and, such information may not, because of its nature, give a true picture of the actual financial position and the results of the Group and does not purport to predict the future financial position and results of the Group.
- 2.5 The pro forma combined statements of financial position of the Group have been properly prepared on the basis set out in the accompanying notes to the pro forma combined statements of financial position based on the audited combined financial statements of the Group for the FYE 31 December 2025, which have been prepared in accordance with the Malaysian Financial Reporting Standards and the International Financial Reporting Standards.



**12. FINANCIAL INFORMATION (CONT'D)****BESTARI FOOD BERHAD****3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP**

3.1 The pro forma combined statements of financial position of the Group as set out below, for which the Board of Directors of Bestari Food is solely responsible, has been prepared for illustrative purposes only, to show the effects on the audited combined statements of financial position of the Group as at 31 December 2025, had the subsequent events, Acquisitions, Public Issue and utilisation of proceeds as described in Notes 1.2, 1.3.1, 1.3.2, 1.3.3 and 3.2.2 respectively been effected on that date, and should be read in conjunction with the notes accompanying thereto.

	Combined Statements of Financial Position as at 31 December 2025 <sup>(1)</sup> RM'000	Adjusted for Subsequent Events RM'000	Pro Forma I After the Acquisitions RM'000	Pro Forma II After Pro Forma I and the Public Issue RM'000	Pro Forma III After Pro Forma II and the Utilisation of Proceeds RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	24,669	24,669	24,669	24,669	24,669
<b>Total non-current assets</b>	<b>24,669</b>	<b>24,669</b>	<b>24,669</b>	<b>24,669</b>	<b>24,669</b>
<b>Current assets</b>					
Inventories	18,810	18,810	18,810	18,810	18,810
Trade and other receivables	39,752	39,752	39,752	39,752	[•]
Cash and short-term deposits	23,720	15,220	15,220	[•]	[•]
<b>Total current assets</b>	<b>82,282</b>	<b>73,782</b>	<b>73,782</b>	<b>[•]</b>	<b>[•]</b>
<b>TOTAL ASSETS</b>	<b>106,951</b>	<b>98,451</b>	<b>98,451</b>	<b>[•]</b>	<b>[•]</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Group</b>					
Share capital	-	-	37,293	[•]	[•]
Invested equity	1,984	1,984	-	-	-
Translation reserve	(75)	(75)	(75)	(75)	(75)
Reorganisation reserve	-	-	(35,309)	(35,309)	(35,309)
Retained earnings	40,778	32,278	32,278	32,278	[•]
<b>TOTAL EQUITY</b>	<b>42,687</b>	<b>34,187</b>	<b>34,187</b>	<b>[•]</b>	<b>[•]</b>

**Pro Forma Combined Statements of Financial Position**

**12. FINANCIAL INFORMATION (CONT'D)****BESTARI FOOD BERHAD****3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)**

## 3.1 (Continued)

	Combined Statements of Financial Position as at 31 December 2025 <sup>(1)</sup> RM'000	Adjusted for Subsequent Events RM'000	Pro Forma I After the Acquisitions RM'000	Pro Forma II After Pro Forma I and the Public Issue RM'000	Pro Forma III After Pro Forma II and the Utilisation of Proceeds RM'000
<b>Non-current liabilities</b>					
Loans and borrowings	20,281	20,281	20,281	20,281	20,281
Deferred tax liabilities	834	834	834	834	834
<b>Total non-current liabilities</b>	<b>21,115</b>	<b>21,115</b>	<b>21,115</b>	<b>21,115</b>	<b>21,115</b>
<b>Current liabilities</b>					
Loans and borrowings	27,174	27,174	27,174	27,174	27,174
Current tax liabilities	1,547	1,547	1,547	1,547	1,547
Trade and other payables	14,428	14,428	14,428	14,428	14,428
<b>Total current liabilities</b>	<b>43,149</b>	<b>43,149</b>	<b>43,149</b>	<b>43,149</b>	<b>43,149</b>
<b>TOTAL LIABILITIES</b>	<b>64,264</b>	<b>64,264</b>	<b>64,264</b>	<b>64,264</b>	<b>64,264</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>106,951</b>	<b>98,451</b>	<b>98,451</b>	<b>[•]</b>	<b>[•]</b>
Number of ordinary shares assumed to be in issue ('000)	1,961 <sup>(2)</sup>	1,961 <sup>(2)</sup>	372,930	450,000	450,000

NA <sup>^</sup> (RM'000)	42,687	34,187	34,187	[•]	[•]
NA per ordinary share (RM)	21.77	17.43	0.09	[•]	[•]
<sup>^</sup> attributable to owners of the Group					

(1) *Extracted from Group's audited combined financial statements for the FYE 31 December 2025.*

(2) *Representing invested equity of the Group as at FYE 31 December 2025.*

**12. FINANCIAL INFORMATION (CONT'D)****BESTARI FOOD BERHAD****3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)**

3.2 Notes to the pro forma combined statements of financial position are as follows:

3.2.1 The proceeds from the Public Issue would be used in the following manner:

Details of use of proceeds	RM'000	%	Estimated timeframe for utilisation from the date of listing
<b>Not reflected in pro forma combined statements of financial position</b>			
Capital expenditure			
- Setting up a new production facility <sup>(1)</sup>	[•]	[•]	Within 36 months
- Purchase of new machinery and equipment <sup>(1)</sup>	[•]	[•]	Within 36 months
Marketing expenses <sup>(1)</sup>	[•]	[•]	Within 6 months
<b>Reflected in pro forma combined statements of financial position</b>			
Estimated listing expenses <sup>(2)</sup>	[•]	[•]	Within 1 month
<b>Gross proceeds</b>	[•]	[•]	

Notes:

- (1) As at the latest practicable date, the Group did not enter into any contractual binding agreement or issued any purchase orders in relation to the set up a new production facility, purchase of new machinery and equipment and marketing expenses. Accordingly, the utilisation of proceeds earmarked are not reflected in the pro forma combined statements of financial position.
- (2) The estimated listing expenses totaled to RM[•] by the Company comprised of, among others, underwriting, placement and brokerage fees, professional fees as well as other miscellaneous expenses.

As at 31 December 2025, out of the RM[•] relating to the Listing earmarked for listing expenses, RM[•] has been incurred of which RM[•] was charged to the Retained Earnings Account and RM[•] has been recognised as prepayments and will be capitalised in Share Capital Account upon successful listing as these are directly attributable expenses relating to the new issuance of Shares.

Out of RM[•], being the remaining estimated listing expenses to be incurred, RM[•] will be charged to Retained Earnings Account and the remaining RM[•] will be capitalised in Share Capital Account as these are directly attributable expenses relating to the new issuance of Shares.

**12. FINANCIAL INFORMATION (CONT'D)****BESTARI FOOD BERHAD****3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)**

## 3.2 (Continued)

3.2.2 The pro forma combined statements of financial position should be read in conjunction with the notes below:

**(a) Adjusted for subsequent events**

Adjusted for subsequent events incorporates the effects of the declaration of dividends as described in Note 1.2.1 on the audited combined statements of financial position of the Group as at 31 December 2025.

	<b>Decrease</b>	
	<b>Effects on Total Assets RM'000</b>	<b>Effects on Total Equity RM'000</b>
Retained earnings	-	(8,500)
Cash and short-term deposits	(8,500)	-
	<u>(8,500)</u>	<u>(8,500)</u>

**(b) Pro Forma I**

Pro Forma I incorporates the effects of the Acquisitions as described in Note 1.3.1 on the audited combined statements of financial position of the Group as at 31 December 2025.

**Acquisition of Synerchem Food Processing**

The reorganisation reserve arising from the Acquisition of Synerchem Food Processing is as below:

	<b>RM'000</b>
Purchase consideration	22,636
Less: Share capital of Synerchem Food Processing	(300)
Reorganisation reserve	<u>22,336</u>

**12. FINANCIAL INFORMATION (CONT'D)****BESTARI FOOD BERHAD****3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)**

3.2 (Continued)

3.2.2 (Continued)

**(b) Pro Forma I (continued)****Acquisition of Synerchem Ingredients**

The reorganisation reserve arising from the Acquisition of Synerchem Ingredients is as below:

	<b>RM'000</b>
Purchase consideration	8,274
Less: Share capital of Synerchem Ingredients	<u>(1,250)</u>
Reorganisation reserve	<u>7,024</u>

**Acquisition of Synerchem Engineering**

The reorganisation reserve arising from the Acquisition of Synerchem Engineering is as below:

	<b>RM'000</b>
Purchase consideration	3,628
Less: Share capital of Synerchem Engineering	<u>(150)</u>
Reorganisation reserve	<u>3,478</u>

**Acquisition of Bestari Sales**

The reorganisation reserve arising from the Acquisition of Bestari Sales is as below:

	<b>RM'000</b>
Purchase consideration	2,755
Less: Share capital of Bestari Sales	<u>(250)</u>
Reorganisation reserve	<u>2,505</u>



**12. FINANCIAL INFORMATION (CONT'D)****BESTARI FOOD BERHAD****3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)**

3.2 (Continued)

3.2.2 (Continued)

**(b) Pro Forma I (continued)****Acquisition of Synerchem Services**

The reorganisation reserve arising from the Acquisition of Synerchem Services is as below:

	<b>RM'000</b>
Purchase consideration	*
Less: Share capital of Synerchem Services	(1)
	<hr/>
Reorganisation reserve	(1)
	<hr/>

**Acquisition of Synerchem (S)**

The reorganisation reserve arising from the Acquisition of Synerchem (S) is as below:

	<b>RM'000</b>
Purchase consideration	*
Less: Share capital of Synerchem (S)	(33)
	<hr/>
Reorganisation reserve	(33)
	<hr/>

**Acquisition of Bestari (S)**

The reorganisation reserve arising from the Acquisition of Bestari (S) is as below:

	<b>RM'000</b>
Purchase consideration	*
Less: Share capital of Bestari (S)	+
	<hr/>
Reorganisation reserve	@
	<hr/>

\* Represents RM10

+ Represents RM7

@ Represents RM3



**12. FINANCIAL INFORMATION (CONT'D)****BESTARI FOOD BERHAD****3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)**

3.2 (Continued)

3.2.2 (Continued)

**(b) Pro Forma I (continued)**

The Acquisitions will have the following impact on the audited combined statements of financial position of the Group as at 31 December 2025:

	<b>Increase/(Decrease)</b>	
	<b>Effects on Total Assets RM'000</b>	<b>Effects on Total Equity RM'000</b>
Share capital	-	37,293
Invested equity	-	(1,984)
Reorganisation reserve	-	(35,309)
	-	-

**(c) Pro Forma II**

Pro Forma II incorporates the cumulative effects of Pro Forma I and the Public Issue as described in Notes 1.3.2 and 1.3.3 respectively.

The Public Issue will have the following impact on the pro forma combined statements of financial position of the Group as at 31 December 2025:

	<b>Increase</b>	
	<b>Effects on Total Assets RM'000</b>	<b>Effects on Total Equity RM'000</b>
Cash and short-term deposits	[•]	-
Share capital	-	[•]
	[•]	[•]

Upon the completion of the Public Issue of 77,070,300 new Bestari Food Shares, its entire enlarged issued share capital would amount to RM[•] comprising 450,000,000 Bestari Food Shares.

The Offer for Sale does not have an impact on the pro forma combined statements of financial position as at 31 December 2025.

**12. FINANCIAL INFORMATION (CONT'D)****BESTARI FOOD BERHAD****3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)**

3.2 (Continued)

3.2.2 (Continued)

**(d) Pro Forma III**

Pro Forma III incorporates the cumulative effects of Pro Forma II and the utilisation of proceeds from the Public Issue of RM[•] after netting off RM[•] of estimated listing expenses.

The remaining proceeds expected from the Public Issue of RM[•] will be used in the manner as described in Note 3.2.2.

The proceeds arising from the Public Issue earmarked for the set up of a new production facility, purchase of new machinery and equipment, and marketing expenses of RM[•] will be included in the Cash and Short-Term Deposits Account as Bestari Food has not entered into any contractual binding agreements or issued any purchase orders in relation to these items.

As at 31 December 2025, out of the RM[•] relating to the Listing earmarked for listing expenses, RM[•] has been incurred of which RM[•] was charged to the Retained Earnings Account and RM[•] has been recognised as prepayments and will be capitalised in Share Capital Account upon successful listing as these are directly attributable expenses relating to the new issuance of Shares

As the remaining estimated listing expenses of RM[•], RM[•] will be charged to Retained Earnings Account and the remaining RM[•] will be capitalised in Share Capital Account as these are directly attributable expenses relating to the new issuance of Shares.

The utilisation of proceeds will have the following impact on the pro forma combined statements of financial position of the Group as at 31 December 2025:

	<b>Decrease</b>	
	<b>Effects on</b>	<b>Effects on</b>
	<b>Total Assets</b>	<b>Total Equity</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and short-term deposits	[•]	-
Trade and other receivables	[•]	-
Share capital	-	[•]
Retained earnings	-	[•]
	<u>[•]</u>	<u>[•]</u>

**12. FINANCIAL INFORMATION (CONT'D)****BESTARI FOOD BERHAD****3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)**

## 3.2 (Continued)

## 3.2.3 Movements in share capital and reserves are as follows:

	Share capital RM'000	Invested equity RM'000	Translation reserve RM'000	Reorganisation reserve RM'000	Retained earnings RM'000	Total RM'000
Combined statements of financial position of the Group as at 31 December 2025	-	1,984	(75)	-	40,778	42,687
Arising from Subsequent Events	-	-	-	-	(8,500)	(8,500)
Adjusted for the Subsequent Events Arising from the Acquisitions	-	1,984	(75)	-	32,278	34,187
Per Pro Forma I	37,293	(1,984)	-	(35,309)	-	-
Arising from the Public Issue	[•]	-	-	-	-	[•]
Per Pro Forma II	[•]	-	(75)	(35,309)	32,278	[•]
Arising from the defrayment of estimated listing expenses in relation to the Proposed Listing	[•]	-	-	-	[•]	[•]
Per Pro Forma III	[•]	-	(75)	(35,309)	[•]	[•]

## 3.2.4 Movements in cash and short-term deposits are as follows:

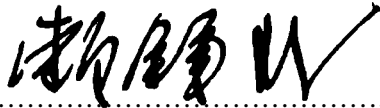
	RM'000
Combined statements of financial position of the Group as at 31 December 2025	23,720
Arising from the Subsequent Events	(8,500)
Adjusted for the Subsequent Events Arising from the Acquisitions	15,220
Per Pro Forma I	-
Arising from the Public Issue	[•]
Per Pro Forma II	[•]
Arising from the defrayment of estimated listing expenses in relation to the Proposed Listing	[•]
Per Pro Forma III	[•]

**12. FINANCIAL INFORMATION (CONT'D)**

**BESTARI FOOD BERHAD**

**APPROVAL BY BOARD OF DIRECTORS**

Approved and adopted by the Board of Directors of Bestari Food Berhad in accordance with a resolution dated **09 JUN 2026**



.....  
**Lai Kok Siong**  
Managing Director



.....  
**Gabriel Lai Yung-Yao**  
Executive Director