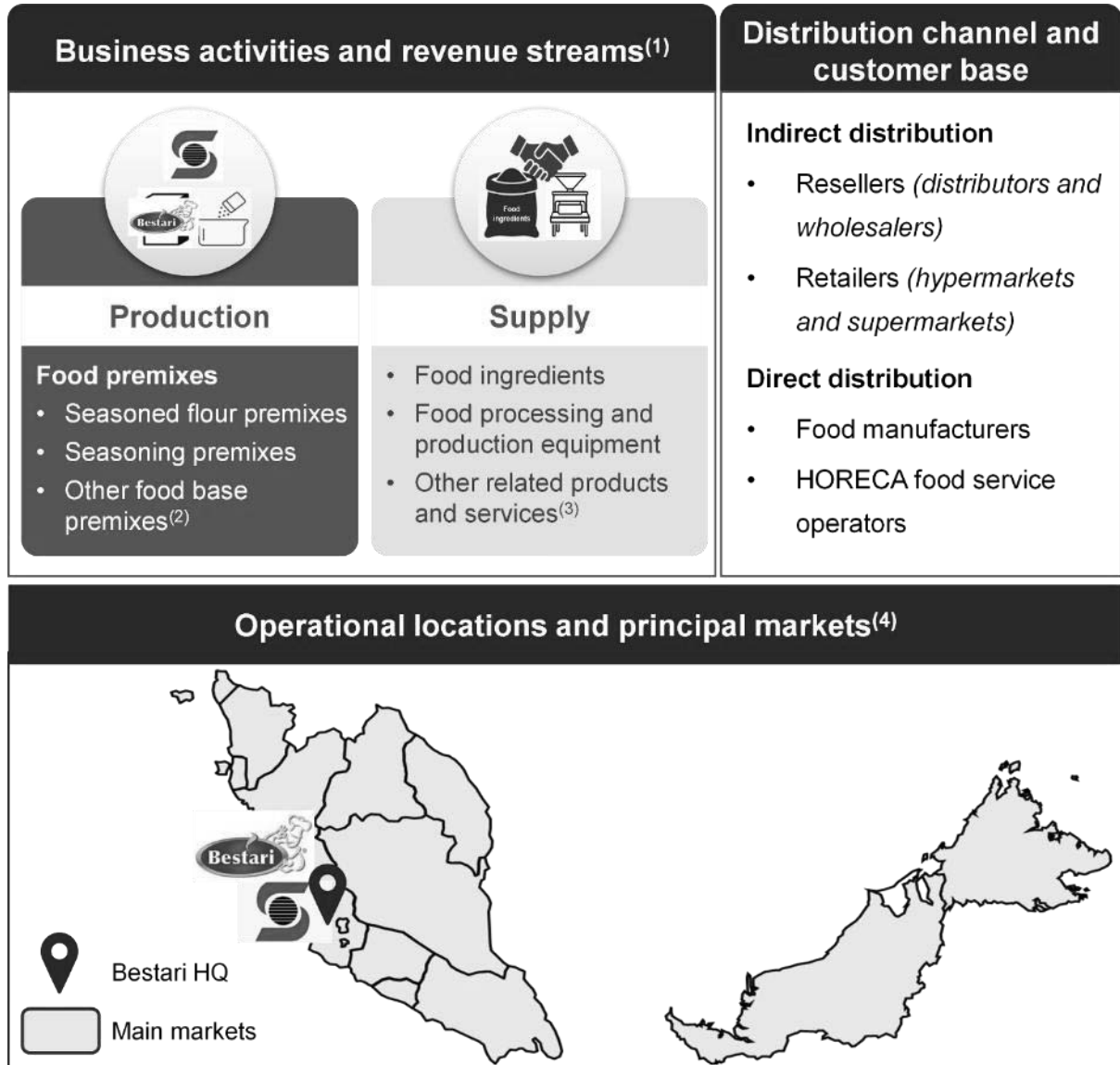


7. BUSINESS OVERVIEW

7.1 OVERVIEW OF OUR BUSINESS

7.1.1 Our business model

Our business model is as follows:



Notes:

(1) For the Financial Years Under Review, our revenue was mainly derived from the production of food premixes, contributing 75.7%, 79.0% and 81.8% respectively, with the remaining derived from the supply segment which accounted for 24.3%, 21.0% and 18.2% of our revenue respectively.

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

7. BUSINESS OVERVIEW (CONT'D)

- (3) Include sales of related spare parts for the food processing and production equipment, as well as installation, repair and maintenance services.
- (4) Our largest market is Malaysia, which historically accounted for 96.5%, 97.3% and 96.8% of our revenue for the Financial Years Under Review respectively, with the remaining from customers in foreign countries mainly in Singapore and Brunei.

7.1.2 Business activities and revenue streams

We are principally involved in the production of food premixes and the supply of food ingredients and food processing and production equipment. Food premixes are blends of multiple ingredients formulated in precise proportions to achieve specified functions in food preparation, processing, or production.

The food premixes we produce can be categorised as follows:

- (i) seasoned flour premixes, which are pre-blended dry mixes consisting of flour as the base ingredient, combined with seasonings and other ingredients. These premixes are used as batter to coat food products before frying or cooking, which helps create a crispy outer texture and consistent flavour in fried food products;
- (ii) seasoning premixes are pre-formulated blends of seasonings and other ingredients used to provide or enhance the taste and flavour of food products. The seasoning premixes we produce are in dry powder form, which are used in food preparation or manufacturing to provide convenience in the seasoning process while ensuring consistent and uniform taste across food products; and
- (iii) other food base premixes mainly consist of premixes formulated to serve as the base component for prepared food products. These premixes are designed to provide convenience for users, as they are supplied in dry powder form and require only water or other liquids for cooking or processing.

Our food premix products are mainly marketed and sold under our 'Bestari' brand, and are available in various packaging formats, including small retail packs, which are sold in retail outlets, as well as large commercial packs mainly for food manufacturers and food service operators.

All our food premixes are developed and formulated by our in-house R&D team, which comprises 5 personnel as at the LPD.

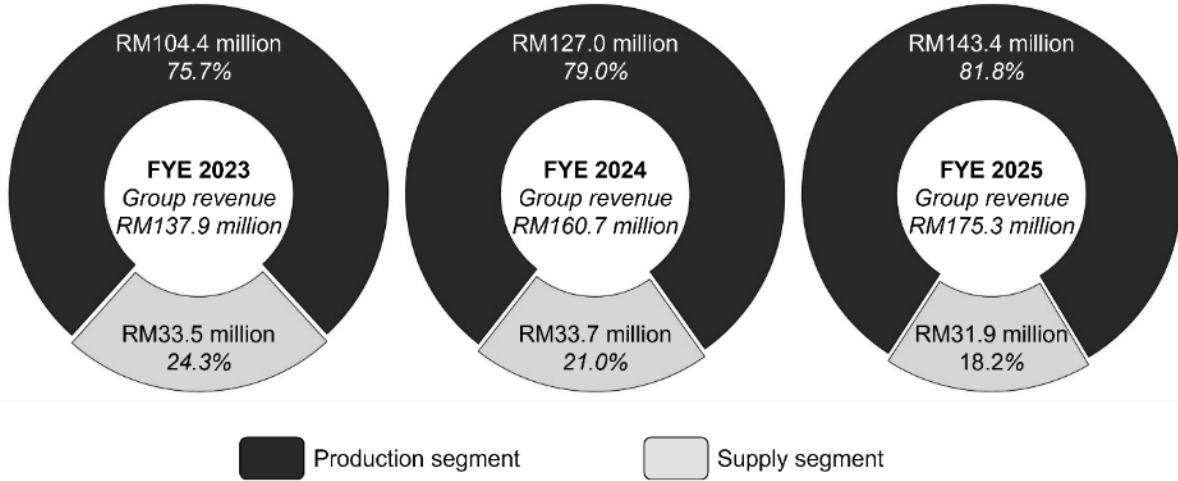
To complement our in-house production and broaden our product offerings, we are also involved in the following activities:

- (i) supply of food ingredients such as starches, seasonings, casings and proteins (such as egg white powder as well as soy and plant-based proteins). We also repack some of these food ingredients under our 'Bestari' brands for the retail market;
- (ii) supply of food processing and production equipment; and
- (iii) sales of related spare parts and provision of maintenance services as part of our after-sales services for the food processing and production equipment that we supplied.

7. BUSINESS OVERVIEW (CONT'D)

Our revenue contribution by business segments for the Financial Years Under Review is set out below:

Revenue segmentation by business segments



| | FYE 2023 | | FYE 2024 | | FYE 2025 | |
|--|----------------|--------------|----------------|--------------|----------------|--------------|
| | RM'000 | % | RM'000 | % | RM'000 | % |
| Production segment | | | | | | |
| • 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 ⁽¹⁾ | 741 | 0.5 | 1,061 | 0.6 | 1,342 | 0.8 |
| | 104,378 | 75.7 | 126,971 | 79.0 | 143,378 | 81.8 |
| Supply segment | | | | | | |
| • 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 ⁽²⁾ | 2,766 | 2.0 | 2,797 | 1.7 | 3,244 | 1.8 |
| | 33,487 | 24.3 | 33,720 | 21.0 | 31,945 | 18.2 |
| Total revenue | 137,865 | 100.0 | 160,691 | 100.0 | 175,323 | 100.0 |

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.

7. BUSINESS OVERVIEW (CONT'D)

7.1.3 Principal market

We principally operate in Malaysia, where our Bestari HQ is in Telok Panglima Garang, Kuala Langat, Selangor. In addition, we also have a sales and support office in Singapore which commenced operations in 2001. During the Financial Years Under Review, we mainly served customers in Malaysia, which accounted for 96.5%, 97.3% and 96.8% of our revenue for the Financial Years Under Review respectively.

We export our products to customers in foreign countries, particularly Singapore and Brunei. For the Financial Years Under Review, revenue from foreign countries collectively accounted for 3.5%, 2.7% and 3.2% of our revenue. The breakdown of our revenue by principal markets is set out below:

| | FYE 2023 | | FYE 2024 | | FYE 2025 | |
|------------------------------------|----------------|--------------|----------------|--------------|----------------|--------------|
| | RM'000 | % | RM'000 | % | RM'000 | % |
| Domestic | | | | | | |
| • Central region ⁽¹⁾ | 56,235 | 40.8 | 65,803 | 41.0 | 80,229 | 45.8 |
| • Northern region ⁽²⁾ | 25,912 | 18.8 | 29,580 | 18.4 | 25,096 | 14.3 |
| • Southern region ⁽³⁾ | 18,483 | 13.4 | 19,626 | 12.2 | 21,921 | 12.5 |
| • East coast region ⁽⁴⁾ | 16,151 | 11.7 | 18,551 | 11.6 | 19,042 | 10.9 |
| • East Malaysia ⁽⁵⁾ | 16,247 | 11.8 | 22,715 | 14.1 | 23,403 | 13.3 |
| | 133,028 | 96.5 | 156,275 | 97.3 | 169,691 | 96.8 |
| Foreign countries | | | | | | |
| • 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 ⁽⁶⁾ | 123 | 0.1 | 107 | 0.1 | 784 | 0.4 |
| | 4,837 | 3.5 | 4,416 | 2.7 | 5,632 | 3.2 |
| Total revenue | 137,865 | 100.0 | 160,691 | 100.0 | 175,323 | 100.0 |

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.

7. BUSINESS OVERVIEW (CONT'D)

7.1.4 Distribution channels and customers

We adopt both direct and indirect distribution channels to market and sell our products.

For the Financial Years Under Review, our revenue was mainly from indirect distribution channels, which are intermediaries that do not use our products directly but resell our products in their original form and packaging to their network of customers.

Our indirect distribution channels comprised 2 main customer groups as follows:

- (i) **Resellers**, which mainly include distributors and wholesalers. They purchase our products and subsequently resell them to their network of customers such as retailers, food manufacturers and food service operators. As at the LPD, we have 14 appointed distributors for the sales of our products across 13 states and 2 federal territories in Malaysia, as well as Saudi Arabia; and
- (ii) **Retailers**, which mainly include hypermarkets and supermarkets that purchase our products and resell them directly to end consumers through their outlets.

Through the indirect distribution channels, we can leverage their existing network to expand our market coverage and reach a wider group of end consumers, without the need for significant investments in sales, marketing and logistics.

We also use a direct distribution channel, where we market and sell our products directly to end users, comprising food manufacturers and HORECA food service operators. These customers utilise our food premixes and other food ingredients to manufacture or prepare food products for consumers. Through the direct distribution channel, we can work closely with our customers and understand their requirements, which is crucial for us to improve and innovate product formulation and quality.

For the Financial Years Under Review, our revenue by distribution channels is set out below:

| | FYE 2023 | | FYE 2024 | | FYE 2025 | |
|---------------------------------|----------------|--------------|----------------|--------------|----------------|--------------|
| | RM'000 | % | RM'000 | % | RM'000 | % |
| Indirect distribution | | | | | | |
| • Resellers ⁽¹⁾ | 101,145 | 73.4 | 120,934 | 75.3 | 137,010 | 78.1 |
| • Retailers ⁽²⁾ | 7,348 | 5.3 | 10,096 | 6.3 | 11,683 | 6.7 |
| | 108,493 | 78.7 | 131,030 | 81.6 | 148,693 | 84.8 |
| Direct distribution | | | | | | |
| • Food manufacturers | 26,750 | 19.4 | 24,457 | 15.2 | 21,331 | 12.2 |
| • HORECA food service operators | 2,622 | 1.9 | 5,204 | 3.2 | 5,299 | 3.0 |
| | 29,372 | 21.3 | 29,661 | 18.4 | 26,630 | 15.2 |
| Total revenue | 137,865 | 100.0 | 160,691 | 100.0 | 175,323 | 100.0 |

Notes:

- (1) Include distributors and wholesalers.
- (2) Include hypermarkets and supermarkets.

7. BUSINESS OVERVIEW (CONT'D)

7.2 MODE OF OPERATION

7.2.1 Food products

Sales

We sell our in-house produced food premixes as well as traded food ingredients to resellers including:

- (i) distributors, wholesalers and retailers including hypermarkets and supermarkets;
- (ii) food manufacturers; and
- (iii) HORECA food service operators.

The sales of our food products are based on confirmed purchase orders, which specify the product type, quantity, agreed price, delivery location and schedule. Our customers typically place their orders periodically on a weekly basis or as and when they require. Upon delivery of goods, we will then issue invoices to our customers. We normally provide credit terms from 30 to 90 days.

We generally fulfil orders from our existing inventory and typically maintain an inventory level equivalent to approximately 1 to 2 weeks. For customers in Peninsular Malaysia, deliveries typically take approximately 2 to 3 business days from the date of order placement, while deliveries to East Malaysia typically take approximately 1 week. For overseas customers, deliveries typically take approximately 3 to 4 weeks, depending on the destination and shipping arrangements.

Distribution agreements

We enter into distribution agreements with distributors for our in-house produced food premixes as well as traded food ingredients. As at the LPD, we have 14 appointed distributors, comprising 13 in Malaysia and 1 in Saudi Arabia.

These distribution agreements set out the general terms and conditions, including the validity period, pricing, geographical coverage, and the products covered. Our distributors are not obligated to place orders and typically do so on a periodic basis, such as weekly or monthly.

Trading terms with retailer customers

We also supply to supermarkets and hypermarkets with our in-house produced food premixes as well as traded food ingredients, subject to trading terms that may include the following fees and rebates:

- (i) **Listing fees** for shelf space, mainly for new products, typically charged as a fixed fee per SKU per outlet;
- (ii) **Advertising and promotional fees** charged either as a fixed percentage of sales or a fixed fee per campaign or event;
- (iii) **Distribution centre charges**, typically calculated as a fixed percentage of sales, for the use of the retailer's centralised distribution network; and
- (iv) **Rebates and/or discounts**, applied as a fixed percentage agreed for each sales order.

7. BUSINESS OVERVIEW (CONT'D)

Return policy

Our return policy allows for the return of products under the following circumstances:

- (i) products with expired consumption or shelf-life period;
- (ii) products that are damaged or defective due to faulty packaging;
- (iii) products that are determined to be of inferior, unsatisfactory quality, or unsuitable for sale or consumption, such as products affected by contamination or foreign matter, or damaged packaging which affects product quality at customers premises;
- (iv) products that are incorrectly supplied or wrongly delivered; and
- (v) products that are subject to a product recall by the manufacturer.

All return requests are subject to verification and compliance with our return procedures as well as the commercial terms agreed with our customers. Upon acceptance of the returned goods, we will issue a credit note to the customer. During the Financial Years Under Review, our returned goods respectively accounted for 1.1%, 1.0% and 0.7% of our revenue.

Product recall

We have established product recall policy for in-house produced food premixes as well as traded food ingredients in accordance with the requirements under ISO 22000, which outlines the procedures to manage recalls of products that are found to be unsafe, defective, or non-compliant with regulatory requirements. Product recall may be mandated by authorities or voluntarily by us. Our recall procedures include customer notification, arrangement for withdrawal and return of the affected products and implementation of corrective measures.

We have traceability records that enable us to identify the affected production batches, distribution channel, and the affected quantity. Recalled products will then be isolated and handled in accordance with our internal procedures and regulatory requirements.

During the Financial Years Under Review and up to the LPD, we have not experienced any recalls for our products.

7.2.2 Food processing and production equipment**Sales**

Our mode of operations for the sales of food processing and production equipment is based on confirmed purchase orders. The purchase orders generally specify the product type, quantity, agreed price, delivery location and schedule. Upon delivery and/or installation of the equipment, we will then issue invoices to our customers. We normally provide credit terms from 30 to 90 days.

Warranty

The product warranty for the food processing and production equipment is provided on a back-to-back basis with the brand owner or supplier which is generally 1 year.

7.2.3 Maintenance services

Our maintenance services are provided on an ad-hoc basis based on customers' requests as and when required. These services are based on confirmed purchase orders, and we will issue invoices upon completion of maintenance works. The charges comprise all labour, transportation costs, and material expenses incurred to perform the maintenance service.

7. BUSINESS OVERVIEW (CONT'D)

7.2.4 Related spare parts**Sales**

Our mode of operations for the sales of food processing and production equipment related spare parts is based on confirmed purchase orders. The purchase orders generally specify the product type, quantity, agreed price, delivery location and schedule. Upon delivery we will issue invoices to our customers. We normally provide credit terms from 30 to 90 days.

Warranty

We do not provide product warranty for spare parts.

7.3 COMPETITIVE ADVANTAGES AND KEY STRENGTHS

Our competitive advantages and key strengths will provide us with the platform to grow our business. These are as follows:

7.3.1 We have an established track record of 33 years in the food ingredients industry

We have an established track record of 33 years in the food ingredients industry, dating back to 1993, when we began supplying food ingredients and subsequently expanded into the supply of food processing and production equipment in 1995, through Core Perpetual. In 2002, through Synerchem Food Processing, we expanded into the production of food premixes, namely fried chicken coating mix, and subsequently commercialised the sale of these products under our brand 'Bestari'. Since our establishment, we continually expanded our product offerings and introduced new products to meet consumers' requirements. These include the production of seasoned flour premixes, seasoning premixes and other food base premixes, and as at the LPD, we have 95 active SKUs of food premixes that are produced in-house. In addition to our production of food premixes, our business operations are also complemented by our supply segment, where we also supply food ingredients and food processing and production equipment to provide convenience to our customers.

Since the commencement of our operations, we have built a diverse customer base, including resellers and retailers who distribute our products across various market segments, as well as food manufacturers and HORECA food service operators who use our products. We have also developed long-term business relationships with some of our customers, as reflected in our major customers for the Financial Years Under Review, who have been dealing with us for at least 7 years as at 31 December 2025.

Our long operating history has enabled us to accumulate industry and market knowledge, supporting our understanding of customer needs and market practices. Our established track record provides a foundation for customer confidence in our products, supporting our ability to secure new customers, enter new markets, and sustain and grow our business.

7.3.2 We have an established brand presence to drive the growth of our business

Our in-house food premixes are mainly marketed under our 'Bestari' brand, established in 2004. In addition, we repack other food ingredients under the same brand for the retail market. For the Financial Years Under Review, sales of premix and other food ingredients under our 'Bestari' brand accounted for 78.7% (RM108.6 million), 83.5% (RM134.1 million), and 87.4% (RM153.2 million) of our total revenue for the Financial Years Under Review respectively.

Our products are distributed through multiple channels, including our network of distributors and retailers, as well as directly to food manufacturers and HORECA food service operators. The consistent use of our 'Bestari' brand across these channels, such as our in-house food premixes and repackaged food ingredients, enhances product visibility, supports recognition among diverse customer segments and reinforces brand recall. As a result, we have established strong brand equity within both the retail and commercial markets.

7. BUSINESS OVERVIEW (CONT'D)

We continue to expand our product portfolio by introducing new products and variants, such as additional flavours under the 'Bestari' brand. This facilitates brand extension by leveraging existing customer familiarity and trust, enabling new offerings to gain market acceptance more efficiently.

Our established brand presence, combined with ongoing product innovation and a multi-channel distribution strategy, strengthens our market positioning and fosters long-term customer relationships, supporting the sustainable growth of our business.

7.3.3 We have an established distribution network providing wide market coverage

We mainly utilise indirect distribution channels, supplying our products to intermediaries, including distributors, wholesalers, and retailers such as supermarkets and hypermarkets, which purchase and resell them to their respective networks of customers. During the Financial Years Under Review, revenue from indirect distribution channels accounted for 78.7% (RM108.5 million), 81.6% (RM131.0 million) and 84.8% (RM148.7 million) of our revenue for the Financial Years Under Review respectively.

By leveraging our distributors' established market access and networks, we can reach a wider customer base across diverse geographic locations. As at the LPD, we have 14 appointed distributors supplying our products across 13 states and 2 federal territories in Malaysia, as well as Saudi Arabia. Through our distributors' and retailers' networks, our products are available at retail points across Malaysia, including supermarkets, hypermarkets, minimarkets, and traditional retail shops, which has increased from approximately 11,000 retail points during the FYE 2023 to 13,000 retail points during the FYE 2024 and 15,000 retail points during the FYE 2025.

Our distribution model enables efficient market penetration without significant investment in owned logistics and retail infrastructure, allowing us to scale our operations cost-effectively. In addition, our established relationships with distributors and key retail chains support consistent product availability, timely replenishment and effective execution of sales and promotional activities.

The breadth and depth of our distribution network also enhance our ability to introduce new products by leveraging existing channels to expand market reach and increase our customer base. These factors strengthen our market presence and support the continued growth of our business.

7.3.4 Our products are used across multiple levels of the food value chain

Through our direct distribution channel, we supply our products to food manufacturers and HORECA food service operators. These customers operate within the downstream segment of the food value chain, where our products are used in food preparation, processing, or manufacturing. For the Financial Years Under Review, we served 264, 300 and 382 customers respectively through our direct distribution channel comprising food manufacturers and HORECA food service operators. The revenue from direct distribution channels accounted for 21.3% (RM29.4 million), 18.4% (RM29.7 million) and 15.2% (RM26.6 million) of our revenue for the Financial Years Under Review respectively.

In addition, our products are sold to end consumers through retail channels, with availability at approximately 15,000 retail points across Malaysia during the FYE 2025. These products are used directly by consumers for home-based food preparation, further extending our presence within the food value chain.

By serving customers across both commercial and retail segments, our products are available at multiple points of the food value chain, from industrial food production to food service and end-consumer usage. This diversified customer base reduces reliance on any single segment and provides us with several revenue streams.

Our broad market coverage also enables us to capture demand arising from different consumption channels, including out-of-home dining and in-home food preparation. In addition, our presence across these segments provides valuable market insights into evolving consumer preferences, which support our product development and innovation efforts. Our ability to serve multiple levels of the food value chain, supported by our established distribution network, strengthens our market position and supports the sustainable growth of our business.

7. BUSINESS OVERVIEW (CONT'D)

7.3.5 We have a diversified product portfolio that supports cross-selling opportunities

We are mainly involved in the production of food premixes, comprising seasoned flour premixes, seasoning premixes and other food base premixes. In addition, we supply other food ingredients, including starches, seasonings, casings, and proteins (such as egg white powder as well as soy and plant-based proteins). We also supply food processing and production equipment to customers in the food manufacturing and food service industries.

Our diversified product portfolio enables us to position ourselves as capable of meeting a wide range of customer requirements across different stages of food preparation and production. This allows us to serve customers across multiple segments of the food value chain while creating opportunities to cross-sell complementary products.

The combination of our in-house production of food premixes as well as supply of food ingredients and food processing and production equipment, enhances our ability to strengthen customer relationships and increase our share of customers' procurement spending. By offering a comprehensive range of products through a single platform, we provide added convenience to customers, streamline their procurement processes and strengthen customer retention.

In addition, our broad product portfolio enables us to respond more effectively to evolving customer needs and market trends, while supporting the introduction of new products and solutions. These factors strengthen our competitive positioning and provide a strong foundation for sustainable business growth.

7.3.6 We have an integrated production facility and automated warehousing systems to support operational efficiency

Our operations are supported by an integrated production facility where key production processes for our food premixes are carried out using integrated mixing and packaging lines. The integration of these processes within a single production line enables improved coordination of production activities and control over formulation consistency and production scheduling, which enhances overall operational efficiency. As at the LPD, our operational facility houses 4 mixing rooms, equipped with 3 mixers which are integrated with 5 packaging lines for the production of fried chicken coating mix, with a maximum production capacity of approximately 53,000 tonnes per annum.

In addition, our warehouse operations are supported by our ASRS smart warehouse to manage the storage and retrieval of input materials and finished goods. Integrated with the warehouse management system, the ASRS enables automated placement and retrieval of inventory in our warehouse, improving storage efficiency and reducing reliance on manual labour. Through integration with our ERP system, we can also monitor inventory movements and stock levels in real-time, improving inventory management efficiency and optimising warehouse space utilisation.

The use of the integrated production facility and automated warehouse systems improves operational efficiency, providing the platform for future growth and expansion of our business.

7.3.7 We have a comprehensive nationwide market coverage in Malaysia

We have established extensive market coverage across Malaysia, which accounted for more than 95% of our revenue for the Financial Years Under Review. For the FYE 2025, the central, northern, southern, and east coast regions of Peninsular Malaysia and East Malaysia accounted for 45.8%, 14.3%, 12.5%, 10.9%, and 13.3% of our total revenue, respectively. Our strong domestic presence provides us with a stable and sizeable revenue base within a familiar operating environment. Our core market is concentrated in central Peninsular Malaysia, which accounts for approximately 40% to 50% of our revenue during the Financial Years Under Review, supported by higher population density, stronger economic activity, and concentration of food manufacturing and HORECA food service operators.

7. BUSINESS OVERVIEW (CONT'D)

Our broad geographical coverage enables us to access a diverse customer base, mitigate concentration risks within any single region and capture growth opportunities across different parts of the country. It also enhances our ability to support nationwide distribution, strengthen customer relationships and reinforce our brand presence across Malaysia.

Our comprehensive domestic footprint positions us well to sustain growth and further expand within the Malaysian market.

7.3.8 We are led by experienced Managing Director, Executive Director and Key Senior Management to drive our business growth

We have an experienced management team headed by Lai Kok Siong (our Managing Director) and Gabriel Lai Yung-Yao (our Executive Director / Head of Sales & Marketing). Our Managing Director brings with him more than 37 years of experience in the food production, food ingredients and food processing machinery industries, and he is responsible for leading our Group's overall operations and strategic direction, including oversight of financial management, sales and business development, risk management and compliance, while driving innovation and continuous operational improvements. He is supported by our Executive Director / Head of Sales & Marketing, who brings with him more than 13 years of experience in the food production, food ingredients and food processing machinery industries, and is responsible for overseeing sales operations, driving commercial and export expansion, leading new product developments, and managing brand strategy and marketing programmes.

Our Managing Director and Executive Director / Head of Sales & Marketing are supported by our Key Senior Management as follows:

- (i) Fong Zhoon Zhien (Chief Financial Officer) has more than 18 years of finance and accounting experience;
- (ii) Chang Kok Leong (Head of Engineering) has more than 23 years of experience in technical sales and solution development, aligning equipment performance with production efficiency, quality and compliance requirements, while managing customer relationships to drive business growth; and
- (iii) Gary Lai Yung-Hui (Head of Production) has more than 8 years of experience in computer science and data engineering, including analysing data to improve operational systems and enhance business process efficiency.

We believe our experienced Managing Director, Executive Director / Head of Sales & Marketing and Key Senior Management will help to sustain and grow our business. Please refer to Sections 5.2.2 and 5.4.3 of this Prospectus for the profiles of our Directors and Key Senior Management.

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7. BUSINESS OVERVIEW (CONT'D)

7.4 BUSINESS ACTIVITIES, PRODUCTS AND SERVICES

7.4.1 PRODUCTION SEGMENT

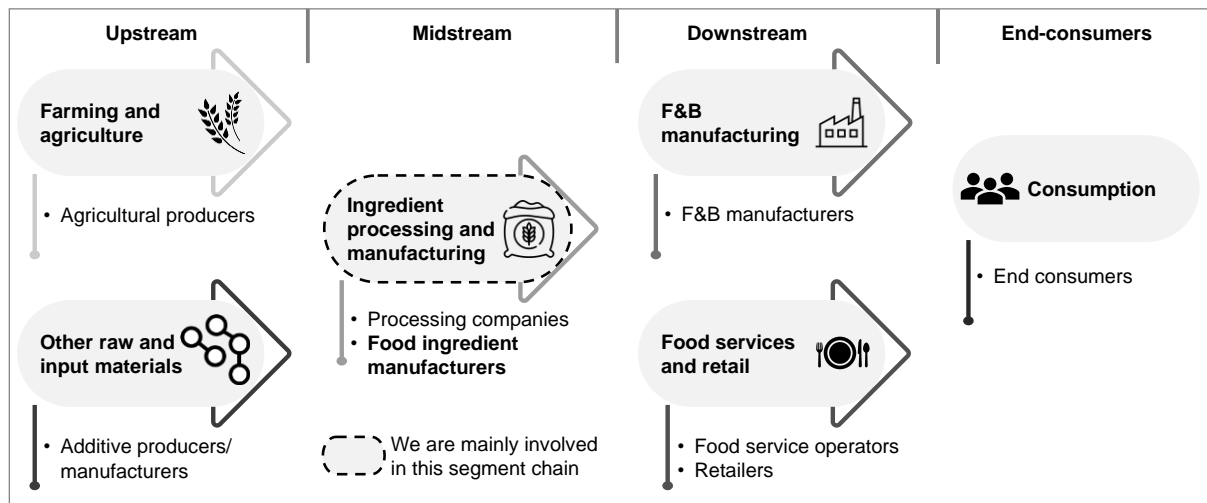
7.4.1.1 Overview

We are primarily involved in the production of food premixes, focusing on seasoned flour premixes, seasoning premixes, and other food base premixes. Food premixes are blends of multiple ingredients formulated in precise proportions to achieve specified functions in food preparation, processing, or production.

These food premixes play an important role in the F&B ecosystem by enabling manufacturers and HORECA food service operators to simplify production or preparation processes, while maintaining consistent product quality and taste. Our products are widely used across the F&B industry, including manufacturers, food services industry and end consumers.

The following illustrates our position in the F&B value chain:

Our position within the F&B value chain



We offer 2 packaging formats, namely retail and commercial packaging. Retail packaging comprises smaller-quantity products catered for end consumers. Commercial packaging, in contrast, comprises larger quantity packages catered for food manufacturers and HORECA food service operators.

Both retail and commercial packaging adopt a consistent design approach aimed at enhancing shelf appeal, improving brand recognition and encouraging repeat purchases.

7.4.1.2 Our production facility

The production of food premixes is undertaken at our Bestari HQ operational facility located at Telok Panglima Garang, Kuala Langat, Selangor. Our operational facility houses 4 mixing rooms, equipped with 3 mixers which are integrated with 5 packaging lines for the production of fried chicken coating mix, with a maximum production capacity of approximately 53,000 tonnes per annum.

We mainly use a dry blending process to produce food premixes, in which various dry ingredients are weighed according to the predetermined formulation and then blended in a mixer to form a homogeneous powder blend. This is followed by the packaging process, where the blended premix is fed directly into the vertical form-fill-seal packaging machine for dosing and filling according to the predetermined package sizes, after which the packages are sealed. Please refer to Section 7.8 of this Prospectus for further details on our production process flow.

7. BUSINESS OVERVIEW (CONT'D)

Our food premix products are mainly packed in pillow bags according to the designated weight for each product. For some food premix products, double-layer packaging is used to protect the product and enhance product appeal. In such cases, the product is first packed in pillow bags as the primary packaging, and then placed into individual boxes as secondary packaging.

Types of product packaging



Left: 1kg pillow bag as primary packaging; **Middle:** 2.7kg pillow bag as primary packaging; **Right:** 150g pillow bag as primary packaging placed into individual boxes as secondary packaging

7.4.1.3 Our food premix products

Our food premix products can be categorised as follows:

- (i) seasoned flour premixes;
- (ii) seasoning premixes; and
- (iii) other food base premixes.

Our food premix products are mainly marketed and sold under our 'Bestari' brand and are generally available in various packaging formats, including retail packs which are sold in retail outlets to end consumers, as well as commercial packs mainly for food manufacturers and HORECA food service operators.

In addition to our brand, a small proportion of our revenue was derived from the production of food premixes under our customers' brands. For the Financial Years Under Review, the revenue from third-party brands of food premixes accounted for less than 1.0% of our total revenue.

(i) Seasoned flour premixes

Seasoned flour premixes are pre-blended dry mixes that consist of flour as the base ingredient, combined with seasonings and other ingredients. These premixes are used as batter to coat food products before frying or cooking, which help create a crispy outer texture and consistent flavour in fried food products.

Generally, our seasoned flour premixes contain a combination of the following ingredients:

- (a) Base ingredients, such as wheat flour and starches, which form the main body of the coating or batter, and provide the desired texture and structure during frying;
- (b) Seasonings, such as salt, pepper, garlic powder, chilli powder and MSG, which enhance the flavour of the premixes; and
- (c) Other ingredients, including leavening agents such as sodium bicarbonate, which help create a lighter and crispier coating.

7. BUSINESS OVERVIEW (CONT'D)

Types of seasoned flour premixes

We produce various types of seasoned flour premixes, formulated for the preparation of different fried food products. These premixes are designed to provide consistent flavour, texture and convenience in food preparation and production process.

Our seasoned flour premixes are generally categorised as follows:

(a) Fried chicken coating mix

Fried chicken coating mix is a premix specially formulated for fried chicken. They are versatile premixes that can be applied through various coating processes including pre-dust flour, batter mix and breading:

- **Pre-dust flour** is the coating layer applied directly on the chicken to remove surface moisture and improve adhesion of the batter;
- For **batter mix**, the premix is combined with water or other liquid to form a batter which is used to marinate and coat the chicken prior to frying, and this will create a light and crispy layer on the chicken; and
- **Breading** is the final dry layer where the premixes are applied on the battered chicken, to create a thicker and crunchier crust.

We develop fried chicken coating mixes in various flavours and are capable of producing different textures to cater for consumer preferences, enabling consumers and operators to create a diverse range of products with distinct taste and texture profiles. Our fried chicken coating mixes are available in various packaging formats, including retail packs as well as commercial packs for food manufacturers and food service operators, in the following flavours:

- **Original** flavour, which features a classic savoury profile with a blend of seasonings, including salt and pepper;
- **Garlic** flavour, which incorporates ingredients such as garlic powder to provide a more aromatic taste and enhance the flavour of the fried chicken;
- **Spicy** flavour, which contains ingredients such as chilli powder or paprika (at various levels of spiciness), to provide a more intense and pungent flavour characterised by the hot and spicy taste;
- **Black Pepper** flavour, which contains pepper to impart a savoury flavour with mild peppery heat; and
- Other flavours such as **tom yum** and **Sichuan (mala) pepper** flavours, which are formulated to reflect the flavour profiles of certain regions.

7. BUSINESS OVERVIEW (CONT'D)

The following illustrates some of our range of fried chicken coating mixes in various flavours and sizes:

Our fried chicken coating mix in 150g retail packs



Our fried chicken coating mix in 520g and 1kg retail packs



(b) Tempura batter mix

Tempura batter mix is a specifically formulated premix used for tempura frying. This type of premix is a dry blended premix which is mixed with water to form a batter before coating the food products. Our tempura batter mix is mainly used to coat seafood, vegetables, or other ingredients before frying to produce a light, airy, and crispy crust.

Our tempura batter mix is used by a range of customers including end consumers who purchase from retail outlets, as well as food manufacturers and food service operators.

Our tempura batter mix in 500g retail pack



7. BUSINESS OVERVIEW (CONT'D)

(c) Fritter mix

Fritter mix is a type of batter premix formulated to be used to prepare fritters, which are fried foods coated with batter and deep fried to produce a crispy exterior and soft interior. Fritters can be made with a wide variety of ingredients such as vegetables, fruits, seafood, or meats.

Our fritter mix is a dry blended premix which is required to be mixed with water to form a batter before coating food products.

Example of our fritter mix in retail pack



(ii) Seasoning premixes

Seasoning premixes are pre-formulated blends of seasonings and other ingredients used to provide or enhance the taste and flavour of food products. The seasoning premixes we produce are in dry powder form which are used in food preparation or manufacturing to provide convenience in the seasoning process, while ensuring consistent and uniform taste across food products.

Generally, our seasoning premixes contain a combination of the following ingredients:

- (a) base ingredients, such as salt, sugar and/or starch;
- (b) spices and herbs, such as pepper, garlic powder, onion powder, chilli powder, and MSG;
- (c) flavouring, such as chicken extract, salted egg and other permitted flavouring substances; and
- (d) other ingredients, such as oil, flavour enhancer and anticaking agent.

Types of seasoning premixes

We produce various types of seasoning premixes, formulated for various food preparation applications, generally categorised as follows:

(a) Fried rice or noodles seasonings

Fried rice or noodles seasonings are a type of premix used for rice and noodle dishes, to enhance and provide the flavour, aroma, and savoury taste profile of the dishes. Generally, our fried rice/noodles seasonings comprise base ingredients such as salt and sugar, spices such as pepper, chilli powder, garlic or onion powder and MSG, as well as other ingredients such as flavour enhancer.

Our fried rice/ noodles seasonings are available in various flavours which are formulated to provide different flavour profiles such as Sichuan pepper (mala), tom yum or kampung flavours for fried rice dishes, as well as Hokkien mee flavour for Hokkien-style noodle dishes.

7. BUSINESS OVERVIEW (CONT'D)

Our fried rice or noodles seasonings in 20g retail packs



(b) Stock seasonings

Stock seasonings are dry powder premixes formulated to enhance or impart savoury taste to food products. We produce 3 types of stock seasonings, namely chicken, anchovy and vegetarian stock. These stock seasonings mainly comprise the base ingredients for the flavour such as chicken extract or anchovy powder, salt, MSG, as well as other spices and additives. Our stock seasonings are concentrated powder-based premixes which are designed to be dissolved, and are commonly used in soups, broths, sauces or gravies.

Our stock seasonings in 230g retail pack (left and centre), and 1kg commercial pack (right)



(c) Specialty seasonings

Our specialty seasonings are premixes which are designed to deliver a specific flavour or replicate a specific dish. Using these seasonings enables the users to achieve the specific flavour quickly and consistently. These seasonings contain a combination of spices and flavouring components to create the distinctive taste or flavour such as salted egg and curry. The specialty seasonings can be used to create and provide the flavours of various dishes, such as stir-fry dishes, marinades for meat or seafood, fried rice or noodles, curries, or used as dry seasonings which are sprinkled directly onto cooked products.

Our specialty seasonings in retail packs



7. BUSINESS OVERVIEW (CONT'D)

(d) All-purpose seasonings

Our all-purpose seasonings are formulated to enhance the flavour of a wide variety of dishes. They contain a balanced mix of salt, pepper and spices which can be used as a substitute for multiple individual seasonings during cooking, including stir-fries, marinades, fried rice, and soups.

Our all-purpose seasonings in 100g and 230g retail packs



(iii) Other food base premixes

Other food base premixes mainly consist of premixes formulated to serve as the base component for prepared food products. These premixes are designed to provide convenience for the users, as the products are supplied in dry powder form, requiring only water or other liquids for cooking or processing. This also enables users to produce consistent food products while reducing preparation time and the need to handle multiple ingredients.

Food base premixes generally comprise base ingredients such as flour and starch, blended with the flavouring components and other additives to achieve the desired texture and taste. Examples of our food base premixes include the following:

- (a) **Instant mashed potato mixes**, which is formulated to produce smooth and creamy mashed potato;
- (b) **Custard mix**, which is a sweet food base premix in various flavours, designed to form a thickened dessert or sauce which can be used for the preparation of desserts, fillings for bakery products or sweet sauces;
- (c) **Cream soup premix**, which is formulated to produce a smooth and creamy soup base. Our cream soup premixes are available in various flavours such as mushroom or chicken to cater for different consumer preferences and applications; and
- (d) **Gravy premix**, which is formulated to create a thickened sauce or gravy which can be used to complement various dishes including meats and vegetables.

Our instant mashed potato mix in retail packs



7. BUSINESS OVERVIEW (CONT'D)

7.4.2 SUPPLY SEGMENT

In addition to our production of food premixes, we are involved in the following activities:

- (i) supply of food ingredients;
- (ii) supply of food processing and production equipment; and
- (iii) sales of related spare parts as well as installation, repair and maintenance services.

7.4.2.1 Supply of food ingredients

To complement our production business and broaden our product offerings, we supply other food ingredients to provide convenience for customers to meet their diverse needs and requirements.

Types of food ingredients

The food ingredients we trade are generally categorised as follows:

- (i) **starches**, which are ingredients used for cooking mainly to help thicken, bind, or give texture to food. Examples of starches we supply include potato, wheat, corn, tapioca, and modified starch;
- (ii) **seasonings**, which refer to ingredients used to enhance or improve the taste, or provide flavour to the food, such as salty, sweet, spicy or aromatic characteristics. The seasonings we supply mainly comprise MSG, Himalayan rock salt, as well as spices and herbs such as chilli, turmeric, coriander, cumin, fennel, and garlic powders;
- (iii) **casings** are the thin outer coverings used to hold or shape sausage or meat mixtures. We supply the following types of casings:
 - (a) collagen casings made from collagen extracted from animal hides;
 - (b) cellulose casings made from plant fibres, which are non-edible and are required to be removed before the food product is eaten;
 - (c) plastic casings made from synthetic plastic materials such as polyamide, which are also non-edible and are required to be removed before the food product is eaten; and
 - (d) fibrous casings made from cellulose reinforced with fibres, which are non-edible and are required to be removed before the food product is eaten.

These casings are mainly used by sausage manufacturers, meat processing operators or food service operators who make fresh sausages; and

- (iv) Other food ingredients mainly comprise proteins used as ingredients in the meat and seafood industry to provide nutritional value, such as egg white powder as well as soy and plant-based proteins.

7. BUSINESS OVERVIEW (CONT'D)

Repackaging

In addition to supplying products in their original packaging mainly to food manufacturers and HORECA food service operators, we also repack these food ingredients into retail packs under our own 'Bestari' brand for the retail market. These mainly include the following products:

- (i) starches which include potato, wheat, corn and tapioca starch in 350g retail packs, as well as in 1kg commercial packs for food service operators; and
- (ii) seasonings, which include MSG, Himalayan rock salt, and spices, in retail packs ranging from 100g to 1kg.

Our starches and seasonings that we repacked and sold under our 'Bestari' brand



7.4.2.2 Supply of food processing and production equipment

To complement our food premix business, we also engage in the supply of food processing and production equipment used for food preparation, processing and manufacturing operations. This enables us to offer a broader range of products to support the operational needs of our customers involved in the food manufacturing or food services sector.

The main type of equipment that we trade are for meat processing and production, including the following:

- (i) **cutting** equipment, including slicers, choppers, and bandsaws, which are used to reduce raw or frozen meat into the desired size and thickness for further processing; and
- (ii) **grinding and mixing** equipment, which are used to mince, blend and process meat together with other ingredients to achieve the desired texture based on formulation.

7. BUSINESS OVERVIEW (CONT'D)

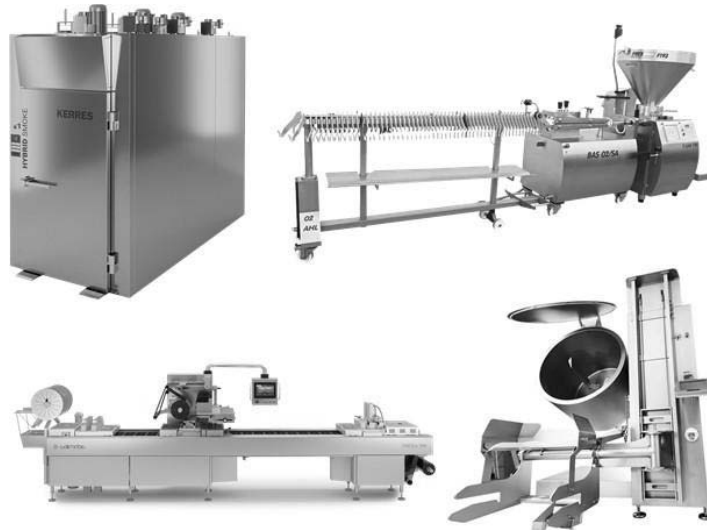
Examples of our meat cutting, meat grinding and mixing equipment



Our meat processing and production equipment is primarily used by food manufacturers producing processed meat products such as sausages, nuggets, and patties; food service operators for preparation and cooking activities; and meat suppliers or butchers to cut or process meat prior to sales.

Other equipment includes a range of ancillary equipment used in meat processing operations such as smokehouse, filling, forming and packaging equipment.

Examples of other food processing equipment



Top left: Smokehouse; **top right:** auto hanging line;
bottom left: thermoforming packaging; **bottom right:** vacuum tumbling equipment

All our food processing and production equipment are sourced from external manufacturers or suppliers.

7.4.2.3 Sales of related spare parts and maintenance services

To support our supply of food processing and production equipment, we are also involved in the sales of related spare parts, installation and the provision of maintenance services as part of our after-sales services. We supply replacement components and spare parts for the upkeep of the equipment we supply. Our maintenance services include inspection and repair to ensure equipment operate in accordance with performance standards. These after-sales services are catered to support our customers in ensuring continued utilisation of equipment supplied by us, as well as to foster long-term customer relationships.

7. BUSINESS OVERVIEW (CONT'D)

7.5 OPERATIONAL FACILITIES

As at the LPD, the locations of our operational facilities are as follows:

| Company | Main functions | Approximate built-up area (sq. ft) | Ownership | Address |
|--|--|------------------------------------|-----------|--|
| <ul style="list-style-type: none"> Synerchem Food Processing Synerchem Engineering Synerchem Ingredients Synerchem Services Bestari Sales | Head office, production factory, and warehouse | 67,465 | Rent | Lot 29119, Jalan Rajawali, Batu 9, Kampung Kebun Baru, 42500 Telok Panglima Garang, Kuala Langat, Selangor, Malaysia |
| <ul style="list-style-type: none"> Synerchem (S) | Office | 990 | Rent | 19 Woodlands Industrial Park E1, #02-03, Singapore 757719 |

7.6 MAJOR MACHINERY AND EQUIPMENT

As at 31 December 2025, the major machinery and equipment that we utilise for our operations are as follows:

| | As at 31 December 2025 | | |
|--|------------------------|---------------------|-----------------------------|
| | Number | Average age (years) | Audited net book value (RM) |
| Tipping equipment | 4 | 4 | 84 |
| Vacuum conveying systems | 4 | 4 | 88 |
| Mixing machines | 11 | 5 | 177 |
| Packaging machines | 15 | 3 | 1,072 |
| Automatic weighing and packaging systems | 2 | 7 | 94 |
| ASRS | 1 | 2 | 3,786 |
| Quality control and inspection systems | 16 | 2 | 318 |
| | | | 5,619 |

7.7 PRODUCTION CAPACITY AND UTILISATION

7.7.1 Production of fried chicken coating mix

Revenue from fried chicken coating mix accounted for 69.6%, 71.1% and 74.2% of our total revenue for the Financial Years Under Review respectively. Fried chicken coating mix is the largest product category within our production segment, and as such, the production capacity for fried chicken coating mix is used as a proxy for the overall capacity of our production segment.

7. BUSINESS OVERVIEW (CONT'D)

The methodology used to calculate the actual output and utilisation rates for the fried chicken coating mix production for the Financial Years Under Review is as follows:

- (i) Capacity is calculated based on the quantity produced using 3 mixers which are integrated with 5 packaging lines, assuming 24 hours of operation per day and 6 days a week, less 18 gazetted public holidays in Malaysia, and a 15% allowance for downtime to account for equipment repair and maintenance, loading and unloading activities, and cleaning prior to each new production batch;
- (ii) Actual output refers to the quantity of fried chicken coating mix produced during each of the financial years. During the Financial Years Under Review, our production operations were conducted on the basis of one shift per day, with each shift comprising 12 operating hours; and
- (iii) Utilisation rate is calculated by dividing actual output by capacity and multiplying the result by 100%.

| | Capacity (tonnes) | Actual output (tonnes) | Utilisation rate (%) |
|----------|--------------------------|-----------------------------------|-----------------------------|
| FYE 2023 | 53,000 | 15,030 | 28% |
| FYE 2024 | 53,000 | 16,429 | 31% |
| FYE 2025 | 53,000 | 17,282 | 33% |

7.7.2 Repacking of food ingredients

For the Financial Years Under Review, revenue from our supply segment accounted for 24.3%, 21.0%, and 18.2% of our total revenue for the Financial Years Under Review respectively. Within our supply segment, we repack food ingredients into retail packs under our own 'Bestari' brand for the retail market.

The methodology used to calculate the actual output and utilisation rates for the repacking of food ingredients for the Financial Years Under Review is set out below:

- (i) Capacity is calculated based on the quantity packed using 1 packaging machine, assuming 24 hours of operation per day and 6 days a week, less 18 gazetted public holidays in Malaysia, and a 15% allowance for downtime to account for equipment repair and maintenance, loading and unloading activities, and cleaning prior to each new production batch;
- (ii) Actual output refers to the quantity of food ingredients repacked during each of the financial years. During the Financial Years Under Review, our production operations were conducted on the basis of one shift per day, with each shift comprising 12 operating hours; and
- (iii) Utilisation rate is calculated by dividing actual output by the capacity and multiplying the result by 100%.

| | Capacity (tonnes) | Actual output (tonnes) | Utilisation rate (%) |
|----------|--------------------------|-----------------------------------|-----------------------------|
| FYE 2023 | 6,300 | 710 | 11% |
| FYE 2024 | 6,300 | 918 | 15% |
| FYE 2025 | 6,300 | 1,290 | 20% |

7. BUSINESS OVERVIEW (CONT'D)

7.8 PROCESS FLOW

7.8.1 Production segment

The general production process flow for our food premixes is depicted as follows:



(i) Product R&D

We carry out product R&D when developing new or enhanced formulations. Once a new or enhanced formulation is accepted and commercialised, it would typically become one of our in-house standard formulations, which may be produced to stock and made readily available to our customers.

The process begins with a new or enhanced product idea submitted to our R&D department. These proposals may originate from direct customer inquiries or internal initiatives to expand our product range. Our R&D team will then conduct trial runs to select suitable food ingredients and determine the appropriate ingredient ratios for the proposed premixes. During this stage, key formulation parameters and product characteristics, including formulation and sensory attributes, are evaluated and recorded. Following various trials, product samples are prepared and subjected to controlled taste tests involving in-house staff and external participants. Where the formulation is developed in response to a customer’s request, product samples may also be provided to selected customers for evaluation and acceptance testing.

Once a product is accepted, the finalised formulation, as well as the required production processes and parameters, are documented and stored securely. The formulation is then approved for commercial production.

(ii) Sales and delivery process

Secure purchase order

Our sales process typically begins with an enquiry or a request for quotations from existing or potential customers, specifying the types and quantities of food premixes they intend to purchase.

7. BUSINESS OVERVIEW (CONT'D)

While we offer a range of standard products to meet diverse customer needs, we also develop new or enhanced premixes tailored to specific requirements. For requests involving standard products, we proceed directly to secure the purchase order. For requests requiring new or enhanced formulations, the enquiry will be sent to our R&D department for trials and development.

Once the customer finalises their selection, they issue a purchase order for us to fulfil. The purchase order outlines the product type, quantity, agreed-upon price, and other terms, such as delivery location, schedule, and payment terms.

Product picking and packaging

For in-stock items, we issue picking slips to warehouse personnel to pick and pack the required quantities. If products are out of stock, we will notify our production department to produce the required items.

We typically maintain an inventory level of approximately 1 to 2 weeks for our in-house produced food premixes.

Delivery and invoicing

All outgoing deliveries undergo a final quality check before a delivery summary order is generated in our ERP system, which is integrated with our ASRS for our warehouse. We typically deliver products via land transportation for customers in Peninsular Malaysia and Singapore, and via sea freight for customers in East Malaysia and other foreign countries. All domestic deliveries are handled by our Group to our customers, and all international deliveries are handled through external logistics providers. Upon receipt of the goods, customers sign and stamp the delivery orders as proof of delivery.

If stocks are available, deliveries within Peninsular Malaysia and Singapore will take approximately 2 to 3 business days, while delivery to East Malaysia will take approximately 1 week. As for foreign countries, delivery generally takes 3 to 4 weeks.

If finished goods are not in stock and input materials are available, we would typically require 1 week for production. If finished goods and some key input materials are unavailable, we would normally require 2 weeks for production.

(iii) Production process

Procurement of input materials

Our production processes operate based on a planned schedule, taking into account confirmed purchase orders, forecast orders and inventory requirements.

Upon finalisation of the production schedule, we verify the availability of all necessary input materials. Our production team determines the type and quantity of each input material based on the formulation of the food premixes to be produced. If needed, we procure the required input materials from our suppliers. Our input materials are sourced from both domestic and foreign manufacturers and suppliers. Deliveries from domestic suppliers typically reach us within a week, while foreign suppliers typically take between 2 and 4 weeks.

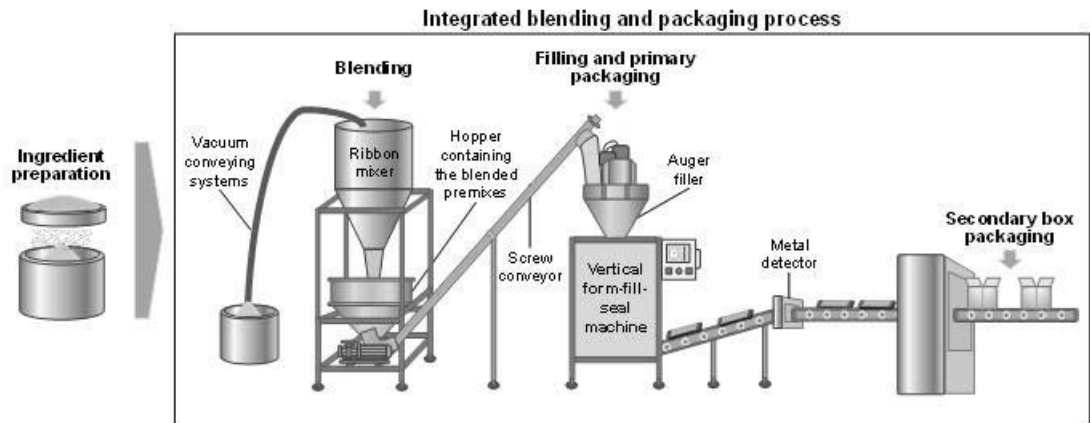
Our warehouse in Bestari HQ



7. BUSINESS OVERVIEW (CONT'D)

Production

The production of food premixes generally begins with ingredient preparation, followed by blending, filling and lastly packaging.



Ingredient preparation

The ingredient preparation process is essential to ensure the input materials are prepared in the correct proportions in accordance with the formulation. This stage typically involves inspection, sieving, weighing, and sorting.

Upon receipt, all input materials, including food ingredients such as oils, flour, salt, spices, and other powdered ingredients, undergo inspection. These include sample weighing, visual inspection, and quantity verification. After inspection, the materials are stored in their designated storage areas to prevent cross-contamination.

Powdered ingredients are sieved to remove lumps or foreign particles, ensuring consistent particle size and texture. The ingredients are then weighed according to the required formulation. Materials that do not meet the specified weight requirements are reweighed or rejected. The weighed ingredients are then sorted according to the formulation to facilitate blending.

Blending and packaging

Our operations are supported by an integrated production facility where key production processes for our food premixes are carried out on our integrated mixing and packaging lines.

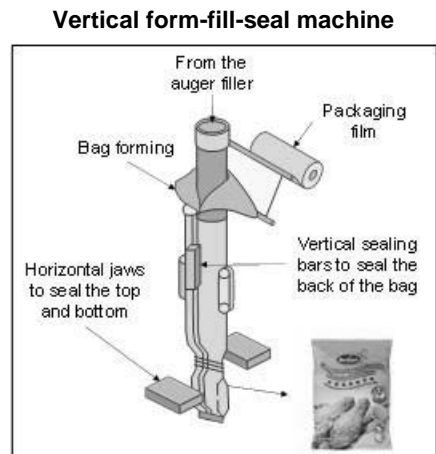
All weighed input materials are transferred using the vacuum conveying systems into our mixing machines for blending. Please refer to Section 7.10 of this Prospectus for further details on the vacuum conveying systems.

The blending process is carried out in the ribbon mixer for a specified duration and under controlled mixing parameters to ensure that the ingredients are evenly distributed, resulting in a homogeneous premix and achieving the required batch weight.

7. BUSINESS OVERVIEW (CONT'D)

Once blending is completed, the finished premixes are fed into the vertical form-fill-seal packaging machine for dosing and filling according to the predetermined pack sizes.

The machine will first form the bag from the roll of packaging film. The film is drawn over the forming tube, which shapes it to the correct bag size. Subsequently, the film passes through the vertical sealing bars, where the back of the bag is sealed, followed by the formation of the bottom seal. Thereafter, the food premix is dispensed into the formed bag according to the pre-set weight. Once the filling is complete, the machine seals the top of the bag and cuts it to separate the finished pack.



Where required, the primary packaged products may then be packed into secondary box packaging in accordance with the required packaging specifications.



All packaged products are subsequently consolidated manually into larger cartons for delivery. The cartons are labelled with relevant product information, including batch numbers and expiry dates, and wrapped to prevent damage during transportation before being transferred to the finished goods storage area. Products that pass inspection are recorded as inventory in our ERP system, which is integrated with our ASRS warehouse. They are then stored at our facility until the scheduled delivery date.

(iv) Quality control and assurance

We implement quality control and assurance procedures throughout our production processes to ensure that our food premixes meet the required standards for quality, safety, and consistency.

Upon receipt of incoming input and packaging materials at our warehouse, each batch undergoes inspection, including visual inspection, quantity verification, and reconciliation with the delivery order before unloading.

During the production process, in-process checks are carried out to monitor key parameters such as ingredient proportions, blending consistency, and packaging accuracy. These checks ensure that the premixes are produced in accordance with the approved formulations and production parameters.

7. BUSINESS OVERVIEW (CONT'D)

Upon completion of production, finished products undergo further inspection and testing to verify product quality and compliance with the required specifications. The packaged products are also checked to ensure proper sealing, labelling, and packaging integrity before being released for storage and delivery.

7.8.2 Supply of food ingredients

The general process flow for our supply operation is depicted as follows:



Secure purchase order

Our process typically begins with an enquiry or request for quotations from existing or potential customers, specifying the type and quantity of food ingredients they intend to purchase. Once their selection is finalised, customers issue a purchase order for us to fulfil. The purchase order outlines the product type, brand (if applicable), quantity, and agreed price, as well as other terms such as the delivery location, schedule, and payment terms.

Order processing and procurement

Upon confirmation of the purchase order, we first check our inventory to determine stock availability. Although certain food ingredients may be in stock, we may not always have sufficient quantities to fulfill the purchase orders, as we maintain these ingredients as input materials for our premix products. In such cases, or if the requested items are not available in stock, we will place orders with our suppliers for replenishment.

We source food ingredients from both domestic and foreign manufacturers and suppliers. Imported products undergo customs clearance in their country of origin, where any applicable export duties and tariffs are paid. Upon arrival in Malaysia, the products go through local customs clearance, and any required import duties and tariffs are paid before being transported to our warehouse in Bestari HQ. Products sourced within Malaysia are transported directly from manufacturers' factories, suppliers' warehouses, or distribution centres to our warehouse.

Receipt of products

We receive the products at our warehouse, where we perform stock counts, inspections, and quality control checks. The stock count verifies that the quantity received matches the purchase order and the supplier's delivery order. We also conduct visual inspections to ensure the products are free of physical defects.

Where required, we repack goods to break bulk packaging into smaller formats to meet customer requirements.

Storage of products

Products that pass inspection are recorded as inventory in our ERP system, which is integrated with our ASRS warehouse. They are then stored at our facility until the scheduled delivery date.

7. BUSINESS OVERVIEW (CONT'D)

Delivery to customers

All outgoing deliveries undergo a final quality check before a delivery summary order is generated in our ERP system. Upon receipt of the goods, customers sign and stamp the delivery order as proof of delivery.

7.9 RESEARCH AND DEVELOPMENT

Our R&D is an ongoing process in which we aim to develop new premix formulations and enhance existing ones to meet evolving customer requirements and market preferences. Our R&D focuses on product innovation, optimising processing methods and formulations, and maintaining the quality standard of our food premixes.

As our R&D focuses on the formulation of new and/or enhanced products, it generally involves the following activities:

- (i) **Understanding consumer and market needs:** This includes conducting consumer research to identify market trends, cultural preferences, and changing food consumption patterns;
- (ii) **Developing and refining premix formulations:** This involves exploring and evaluating new input materials and flavouring, such as salted egg, and determining appropriate ingredient combinations and ratios for premix formulations;
- (iii) **Conducting application testing:** This involves testing premix formulations under actual food preparation or cooking conditions to evaluate their performance, such as coating adhesion, flavour release, texture, and overall product consistency;
- (iv) **Conducting shelf-life studies:** This involves assessing the stability and quality of our food premixes over time under various storage conditions;
- (v) **Optimising formulations and processing parameters:** This includes refining ingredient compositions and production parameters to improve product functionality, maintain consistent quality, and enhance cost efficiency in large-scale production; and
- (vi) **Ensuring product safety and compliance:** This includes ensuring adherence with applicable food safety standards and labelling regulations in the countries where our products are sold.

As at the LPD, we have 5 personnel who are directly involved in R&D activities. Our R&D expenses accounted for approximately 0.1% of our total revenue for the Financial Years Under Review respectively.

7.10 TECHNOLOGIES USED

The main technologies used in the production of food premixes include the following:

- (i) vacuum conveying systems;
- (ii) automated mixing and packaging systems; and
- (iii) ASRS smart warehouse.

7. BUSINESS OVERVIEW (CONT'D)

Vacuum conveying systems

We utilise vacuum conveying systems to transfer sieved powdered ingredients to the mixing machines for subsequent blending and packaging. The system uses vacuum pressure to convey the powder through enclosed pipelines to the tops of the mixing machines, ensuring efficient and hygienic material handling. This reduces manual handling, minimises dust generation, and helps maintain a clean production environment while improving operational efficiency.

Our vacuum conveying systems



Automated weighing and packaging systems

We utilise automated weighing and packaging systems to support the efficient production of our food premixes. The weighing systems enable precise blending of food premixes according to the required formulation ratios, ensuring consistent, uniform distribution within each batch while achieving the specified batch weight. After blending, the premixes are transferred to automated packaging machines, where they are filled into the appropriate packaging formats at the specified weights. The packed products are then conveyed via conveyor belt systems for subsequent sealing, labelling, and carton packaging. The use of automation reduces manual handling, improves production efficiency, and enhances consistency and accuracy in both blending and packaging operations.

ASRS smart warehouse

We utilise a smart ASRS warehouse integrated with a warehouse management system and ERP system to manage the storage and retrieval of input materials and finished goods. The ASRS enables automated placement and retrieval of inventory within our warehouse, allowing efficient handling of storage operations and reducing reliance on manual labour. Through integration with our ERP system, inventory movements and stock levels are recorded and monitored in real time, improving inventory management efficiency and optimising warehouse space utilisation.

7.11 SEASONALITY

We do not experience any seasonality in our revenue.

7.12 MATERIAL INTERRUPTIONS TO OUR BUSINESS

We did not experience any material interruptions to our business during the Financial Years Under Review and up to the LPD.

7. BUSINESS OVERVIEW (CONT'D)

7.13 SALES AND MARKETING ACTIVITIES

7.13.1 Market positioning

We operate within the food ingredient supply chain where we are principally involved in the production of food premixes, complemented by our supply of other food ingredients as well as food processing and production equipment. Our market positioning is shaped by our role in the food ingredient supply chain, the customers we serve and our diversified product offerings. The key aspects of our market positioning are set out below:

(i) Own brand 'Bestari' products

We market and sell our food premixes and other food ingredients under our 'Bestari' brand which provides product identification across the different distribution channels and enhances visibility among the food manufacturers, HORECA food service operators and end consumers.

(ii) Diversified product portfolio

We position ourselves as a supplier with a diverse product portfolio supported by our in-house premix production capabilities, and complemented by the distribution of other food ingredients and food processing and production equipment. Our diversified product portfolio provides customers with comprehensive product offerings for their convenience of sourcing various products from a single supplier. This approach also facilitates cross-selling opportunities.

(iii) Involved in multiple levels of the food value chain

Our products, including food premixes and other food ingredients, are used across different stages of the food value chain including food manufacturing, food services, and in-house food preparation for end consumption. This broadens our market coverage to include industrial, commercial and retail buyers which enhances our market reach.

(iv) Diverse customer base

During the Financial Years Under Review, our products are supplied to a broad customer base comprising resellers (including distributors and wholesalers), retailers, food manufacturers as well as HORECA food service operators. This enables us to serve customers across different segments of the F&B industry, from food production to food services, as well as wholesale and retail distribution.

7.13.2 Sales and marketing activities

Our sales and marketing activities are focused on building brand visibility, expanding customer outreach and encouraging repeat orders. In this respect, we employ the following sales and marketing activities to market and sell our products:

(i) Continuous customer engagement: We maintain direct engagement with our customers through key account management arrangements. Our key account management approach involves regular communication with the customers, understanding their requirements and purchase considerations. Such engagements enhance customer retention and support long-term business relationships.

(ii) Multi-channel distributions: We adopt both indirect and direct distribution channels to market and sell our products. As at the LPD, we have 14 appointed distributors for the supply of our products, across 13 states and 2 federal territories in Malaysia, as well as Saudi Arabia. Our indirect channel also involves the sales of products to retailers including supermarkets and hypermarkets. In addition, we supply our products directly to food manufacturers and HORECA food service operators including hotels, restaurants, cafes and catering operators.

7. BUSINESS OVERVIEW (CONT'D)

- (iii) **Cross-selling:** We leverage our diversified product portfolio comprising food premixes, other food ingredients, and food processing and production equipment, to provide convenience for our customers thus facilitating cross-selling opportunities.
- (iv) **On-ground promotional activities:** We undertake on-ground promotional initiatives to enhance product visibility, build brand awareness, and encourage customer trial. These initiatives include product sampling at retail outlets, which allows the end consumers to taste food prepared with our food premixes and to better understand their application in food preparation. These sampling activities are intended to promote our brand of products.
- (v) **In-store merchandising:** We undertake in-store merchandising initiatives at retail outlets such as block displays and gondola end displays, to enhance product visibility and increase prominence of our products. These display placements are aimed at improving product accessibility, strengthening brand exposure and supporting sales conversion at the point of purchase.
- (vi) **Outdoor advertising:** Our outdoor advertising initiatives include placement of billboard advertisements at selected locations to enhance visibility of our brands and products.

As at the LPD, we have 4 static billboard advertisements and 9 LED billboard advertisements at strategic locations in Selangor, Kuala Lumpur, Johor, Perak, Kedah and Terengganu. These outdoor advertising efforts are intended to strengthen brand awareness and reinforce consumer awareness of our food premix products.

- (vii) **Digital marketing:** We also utilise digital channels to enhance awareness of our brands and product offerings. This includes using our website and social media platforms, such as Facebook, Instagram, TikTok, RedNote and YouTube to promote product applications and new product introductions. In addition to our digital channels, we engage social media influencers who use Facebook, Instagram, TikTok, RedNote and YouTube to showcase product applications and promote our products through social media content. These initiatives aim to strengthen brand recall, expand audience reach, and reinforce brand recognition.
- (viii) **Exhibitions:** We participate in exhibitions to promote our products and enhance our brand visibility. Such exhibitions are mainly targeted at commercial and industrial buyers, as well as distributors and trading houses such as F&B trade fairs, consumer expos, and industry-specific events. For the Financial Years Under Review and up to the LPD, we have participated in the following exhibitions:

| Year | Event | Location |
|------|---|-----------------------------|
| 2023 | Malaysia International Halal Showcase (MIHAS) | Kuala Lumpur, Malaysia |
| 2023 | Food & Hotel Malaysia (FHM) | Kuala Lumpur, Malaysia |
| 2023 | Anuga Fine Food | Cologne, Germany |
| 2024 | Gulfood | Dubai, United Arab Emirates |
| 2024 | THAIFEX – Anuga Asia | Bangkok, Thailand |
| 2024 | Taipei International Food Show (Food Taipei) | Taipei, Taiwan |
| 2024 | World Food Expo (WOFEX) Manila | Manila, Philippines |
| 2024 | Malaysia International Halal Showcase (MIHAS) | Kuala Lumpur, Malaysia |
| 2025 | Gulfood | Dubai, United Arab Emirates |
| 2025 | World Food Expo (WOFEX) Visayas | Cebu City, Philippines |
| 2025 | World Food Expo (WOFEX) Mindanao | Davao City, Philippines |
| 2025 | THAIFEX – Anuga Asia | Bangkok, Thailand |
| 2025 | Taipei International Food Show (Food Taipei) | Taipei, Taiwan |
| 2025 | World Food Expo (WOFEX) Manila | Manila, Philippines |
| 2025 | Malaysia International Halal Showcase (MIHAS) | Kuala Lumpur, Malaysia |
| 2025 | Food & Hospitality Malaysia (FHM) | Kuala Lumpur, Malaysia |
| 2026 | World Food Expo (WOFEX) Visayas | Cebu City, Philippines |

7. BUSINESS OVERVIEW (CONT'D)

7.14 TYPES AND SOURCES OF INPUT MATERIALS AND SERVICES

The following are the major types of input materials and services that we purchased for the Financial Years Under Review:

| | FYE 2023 | | FYE 2024 | | FYE 2025 | |
|--|---------------|--------------|---------------|--------------|---------------|--------------|
| | RM'000 | % | RM'000 | % | RM'000 | % |
| Production segment | | | | | | |
| • Ingredients | 38,762 | 46.7 | 45,112 | 51.6 | 48,853 | 56.4 |
| - Wheat flour | 27,206 | 32.8 | 28,065 | 32.1 | 27,786 | 32.1 |
| - Other ingredients ⁽¹⁾ | 11,556 | 13.9 | 17,047 | 19.5 | 21,067 | 24.3 |
| • Packaging materials | 7,504 | 9.0 | 8,008 | 9.2 | 9,572 | 11.0 |
| | 46,266 | 55.7 | 53,120 | 60.8 | 58,425 | 67.4 |
| Supply segment | | | | | | |
| • Food ingredients | 29,627 | 35.6 | 29,531 | 33.8 | 24,330 | 28.1 |
| - Starches | 7,682 | 9.2 | 8,370 | 9.6 | 10,262 | 11.9 |
| - Seasonings | 9,805 | 11.8 | 11,147 | 12.7 | 9,622 | 11.1 |
| - Casings | 7,954 | 9.6 | 7,236 | 8.3 | 2,710 | 3.1 |
| - Other ingredients | 4,186 | 5.0 | 2,778 | 3.2 | 1,736 | 2.0 |
| • Food processing and production equipment and related parts | 7,148 | 8.6 | 4,646 | 5.3 | 3,844 | 4.4 |
| • Packaging materials | 46 | 0.1 | 73 | 0.1 | 42 | 0.1 |
| | 36,821 | 44.3 | 34,250 | 39.2 | 28,216 | 32.6 |
| Total purchases | 83,087 | 100.0 | 87,370 | 100.0 | 86,641 | 100.0 |

Note:

- (1) Other ingredients for the production segment mainly comprised seasonings, additives and functional ingredients such as oleoresins, flavour enhancers, leavening agents, and flavouring products.

Our main purchases were input materials for our production segment, which accounted for 55.7% (RM46.3 million), 60.8% (RM53.1 million) and 67.4% (RM58.4 million) of our total purchases for the Financial Years Under Review. The main types of input materials for the production of food premixes include wheat flour, seasonings, additives and functional ingredients such as oleoresins, flavour enhancers, leavening agents, and flavouring products, as well as packaging materials.

One of our major input materials is wheat flour, the price of which is subject to volatility and influenced by global wheat market conditions, including supply disruptions arising from adverse weather conditions, geopolitical tensions, trade restrictions, as well as fluctuations in energy and transportation costs.

For the Financial Years Under Review, the purchases of finished products for our supply segment accounted for 44.3% (RM36.8 million), 39.2% (RM34.3 million) and 32.6% (RM28.2 million) of our total purchases for the Financial Years Under Review. These finished goods mainly comprised food ingredients such as starches, seasonings as well as food processing and production equipment.

For the Financial Years Under Review, our input materials and finished goods were sourced from suppliers in Malaysia as well as foreign countries. The purchases of input materials from suppliers in Malaysia accounted for 44.5%, 44.8% and 46.1% of our total purchases during the Financial Years Under Review, while the remaining 55.5%, 55.2% and 53.9% of our total purchases were sourced from suppliers in foreign countries such as Belgium, Denmark, India, Thailand, China and Austria.

7. BUSINESS OVERVIEW (CONT'D)**7.15 MAJOR CUSTOMERS**

Our top 5 major customers and their contribution to our revenue for the Financial Years Under Review are as follows:

FYE 2023

| Top 5 customers | Customer type | Main products | Length of relationship⁽¹⁾ (years) | Revenue contribution | |
|------------------------------|----------------------|----------------------|---|-----------------------------|-------------|
| | | | | RM'000 | % |
| Kapaly | Distributor | Food premixes | 13 | 27,346 | 19.8 |
| Aintai Group ⁽²⁾ | Distributor | Food premixes | 5 | 10,796 | 7.8 |
| Kee Hua Food Sdn Bhd | Distributor | Food premixes | 17 | 8,169 | 5.9 |
| Golden CKS Marketing Sdn Bhd | Distributor | Food premixes | 7 | 8,010 | 5.8 |
| Yong Soon Marketing Sdn Bhd | Distributor | Food premixes | 10 | 7,976 | 5.8 |
| | | | | 62,297 | 45.1 |

FYE 2024

| Top 5 customers | Customer type | Main products | Length of relationship⁽¹⁾ (years) | Revenue contribution | |
|--------------------------------|----------------------|----------------------|---|-----------------------------|-------------|
| | | | | RM'000 | % |
| Kapaly | Distributor | Food premixes | 14 | 34,434 | 21.4 |
| Aintai Group ⁽²⁾ | Distributor | Food premixes | 6 | 12,732 | 7.9 |
| Kee Hua Food Sdn Bhd | Distributor | Food premixes | 18 | 11,575 | 7.2 |
| Syarikat Lui Kim Chock Sdn Bhd | Distributor | Food premixes | 6 | 10,413 | 6.5 |
| Golden CKS Marketing Sdn Bhd | Distributor | Food premixes | 8 | 9,733 | 6.1 |
| | | | | 78,887 | 49.1 |

FYE 2025

| Top 5 customers | Customer type | Main products | Length of relationship⁽¹⁾ (years) | Revenue contribution | |
|--------------------------------|----------------------|----------------------|---|-----------------------------|-------------|
| | | | | RM'000 | % |
| Kapaly | Distributor | Food premixes | 15 | 39,641 | 22.6 |
| Aintai Group ⁽²⁾ | Distributor | Food premixes | 7 | 13,560 | 7.7 |
| Syarikat Lui Kim Chock Sdn Bhd | Distributor | Food premixes | 7 | 11,453 | 6.5 |
| Golden CKS Marketing Sdn Bhd | Distributor | Food premixes | 9 | 10,747 | 6.1 |
| Yong Soon Marketing Sdn Bhd | Distributor | Food premixes | 12 | 9,695 | 5.5 |
| | | | | 85,097 | 48.4 |

Notes:

- (1) Length of relationship as at the respective financial year.
- (2) Aintai Group comprises Aintai Corporation Sdn Bhd and Aintai Jitra Sdn Bhd, both of which have a common shareholder.

7. BUSINESS OVERVIEW (CONT'D)

During the Financial Years Under Review, Kapaly is our only major customer which contributed more than 10% of our total revenue in any one of the financial years. The revenue contribution from Kapaly accounted for 19.8% (RM27.3 million), 21.4% (RM34.4 million) and 22.6% (RM39.6 million) of our total revenue for the Financial Years Under Review respectively.

Kapaly is an appointed distributor for the sale of food premixes in Selangor, Kuala Lumpur and Putrajaya since 2010. As at the LPD, we have a subsisting distribution agreement with Kapaly, which is subject to annual renewal upon mutual agreement by both parties. However, there can be no assurance that such agreement will be renewed or that Kapaly will continue to act as our distributor. In the event of termination of this relationship, we may need to appoint new distributors and there can be no assurance that we will be able to replace Kapaly with customers of a similar scale or within a reasonable timeframe, which may adversely affect our financial performance.

Notwithstanding the above, we maintain a broad and established distribution network across Malaysia, comprising multiple appointed distributors covering various regions which enables our products to be distributed to a wide network of retail outlets, including supermarkets and hypermarkets. This diversified distribution base supports our ability to reach a broad downstream customer base and mitigates our reliance on any single distributor.

Our key strengths and competitive advantages, including our reliability, capabilities and financial stability, help support the sustainability of our business relationship with Kapaly as:

- (i) we are able to appoint new distributors or enter into similar arrangements with other distributors within the same territories to reallocate sales across the retail points where necessary;
- (ii) the termination terms under the distributorship agreement with Kapaly are commercially standard and apply equally to both parties. The 30 days' prior written notice provides us sufficient time to seek for new distributors without significant disruption to our business operations;
- (iii) Kapaly has been our distributor for over 15 years, with increasing revenue over the Financial Years Under Review, reflecting recurring demand for our products as well as a stable and long-standing business relationship which reduces the likelihood of unexpected termination;
- (iv) we have established brand presence under our 'Bestari' brand and maintains strong relationships with our distributors. We also have a proven track record in managing such relationships;
- (v) our established brand presence and proven sales track record through our distributors across retail chains are expected to continue to support demand for our products. In the event of any termination or cessation of Kapaly's distributorship, demand from retail chains is expected to continue and we are able to appoint a new distributor; and
- (vi) the terms of the distributorship agreement with Kapaly are generally consistent with the distributorship agreements entered into with our other distributors.

7. BUSINESS OVERVIEW (CONT'D)**7.16 MAJOR SUPPLIERS**

Our top 5 major suppliers for the Financial Years Under Review are as follows:

FYE 2023

| Top 5 suppliers | Country | Main input materials/services purchased | Length of relationship⁽¹⁾ (years) | Value of purchases | |
|--|----------------|--|---|---------------------------|-------------|
| | | | | RM'000 | % |
| Malayan Flour Mills Bhd ⁽²⁾ | Malaysia | Wheat flour | 14 | 23,649 | 28.5 |
| ViskoTeepak N.V. | Belgium | Casings | 11 | 8,012 | 9.6 |
| KMC Kartoffelmelcentralen Amba | Denmark | Starch | 18 | 3,871 | 4.7 |
| Plant Lipids Private Limited | India | Oleoresins | 8 | 3,150 | 3.8 |
| Sanguan Wongse Starch Co. Ltd. | Thailand | Starch | 6 | 2,825 | 3.4 |
| | | | | 41,507 | 50.0 |

FYE 2024

| Top 5 suppliers | Country | Main input materials/services purchased | Length of relationship⁽¹⁾ (years) | Value of purchases | |
|---|----------------|--|---|---------------------------|-------------|
| | | | | RM'000 | % |
| Malayan Flour Mills Bhd ⁽²⁾ | Malaysia | Wheat flour | 15 | 22,683 | 26.0 |
| ViskoTeepak N.V. | Belgium | Casings | 12 | 7,147 | 8.2 |
| Prestasi Flour Mill (M) Sdn Bhd | Malaysia | Wheat flour | 4 | 3,634 | 4.2 |
| KMC Kartoffelmelcentralen Amba | Denmark | Starch | 19 | 3,449 | 3.9 |
| Hulunbeier Northeast Fufeng Biotechnologies Co., Ltd ⁽³⁾ | China | MSG | 6 | 3,130 | 3.6 |
| | | | | 40,043 | 45.9 |

FYE 2025

| Top 5 suppliers | Country | Main input materials/services purchased | Length of relationship⁽¹⁾ (years) | Value of purchases | |
|---|----------------|--|---|---------------------------|-------------|
| | | | | RM'000 | % |
| Malayan Flour Mills Bhd ⁽²⁾ | Malaysia | Wheat flour | 16 | 19,247 | 22.2 |
| Hulunbeier Northeast Fufeng Biotechnologies Co., Ltd ⁽³⁾ | China | MSG | 7 | 6,112 | 7.1 |
| Prestasi Flour Mill (M) Sdn Bhd | Malaysia | Wheat flour | 5 | 5,168 | 6.0 |
| KMC Kartoffelmelcentralen Amba | Denmark | Starch | 20 | 4,931 | 5.7 |
| Almi GmbH | Austria | Spices | 11 | 4,166 | 4.8 |
| | | | | 39,624 | 45.8 |

7. BUSINESS OVERVIEW (CONT'D)**Notes:**

- (1) Length of relationship as at the respective financial year.
- (2) Listed on the Main Market of Bursa Securities.
- (3) A subsidiary of Fufeng Group Ltd, which is a public listed company on the Hong Kong Stock Exchange.

During the Financial Years Under Review, the purchases from Malayan Flour Mills Bhd accounted for 28.5% (RM23.6 million), 26.0% (RM22.7 million) and 22.2% (RM19.2 million) of our total purchases for the Financial Years Under Review respectively. However, we are not dependent on them as we can source similar products from alternative suppliers. During the Financial Years Under Review, we sourced wheat flour from 3 other suppliers in Malaysia.

7.17 EMPLOYEES

The number of employees of our Group as at 31 December 2025 and the LPD is as follows:

| Categories | Number of employees | | | | | |
|-----------------------------------|------------------------|-----------|------------|---------------|-----------|------------|
| | As at 31 December 2025 | | | As at the LPD | | |
| | Local | Foreign | Total | Local | Foreign | Total |
| Management | 4 | - | 4 | 5 | - | 5 |
| Sales and marketing | 92 | (1)2 | 94 | 99 | (1)2 | 101 |
| Engineering | 10 | - | 10 | 10 | - | 10 |
| Human resource and administration | 9 | - | 9 | 9 | - | 9 |
| Production | 5 | (2)72 | 77 | 5 | (2)71 | 76 |
| Procurement | 8 | - | 8 | 8 | - | 8 |
| Warehousing | 8 | - | 8 | 8 | - | 8 |
| | 136 | 74 | 210 | 144 | 73 | 217 |

Notes:

- (1) Represents employees in the sales and marketing functions within our Group's Singapore operations.
- (2) Represents foreign workers employed by our Group and assigned to production functions.

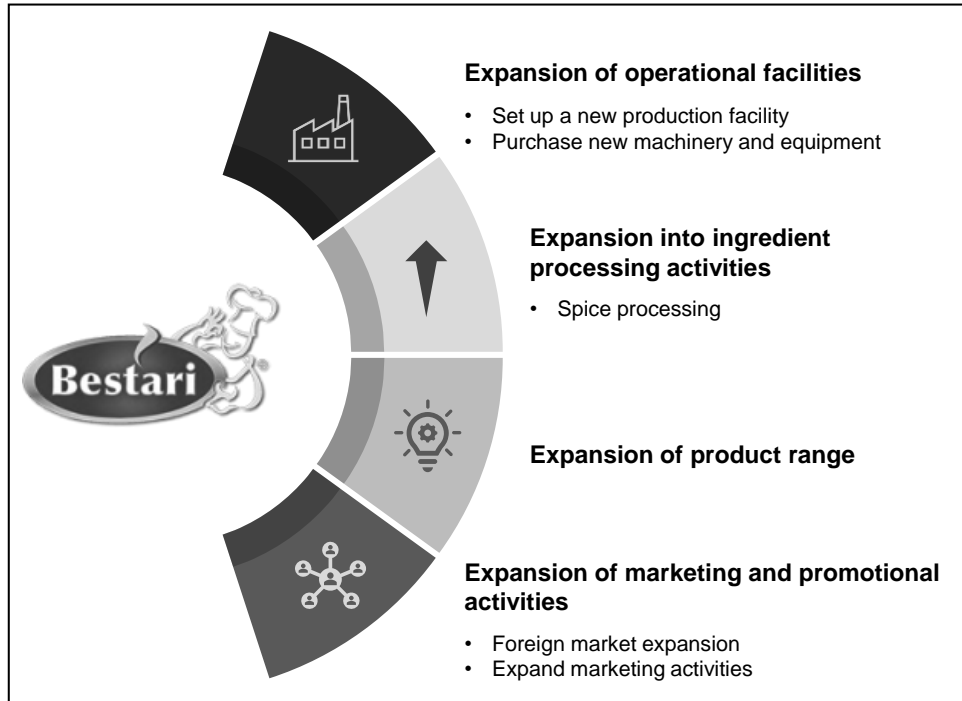
As at the LPD, we employ a total workforce of 217 employees comprising 146 permanent employees and 71 foreign workers. In addition, none of our employees belong to any union nor are they parties to any collective agreements, and there has not been any strikes or other disruptions due to labour disputes pertaining to our employees since we commenced operations. As at the LPD, all our foreign workers have valid working permits.

7. BUSINESS OVERVIEW (CONT'D)

7.18 STRATEGIES AND PLANS

Moving forward, we will continue to focus on our core business activities, including the production of food premixes, and leverage our strengths to pursue new business opportunities.

The summary of our strategies and plans is as follows:



Our strategies and plans focus on business expansion to enhance operational capabilities and support growth. In this respect, our strategies and plans include expanding operational facilities to increase production capacity, expanding into ingredient processing activities to strengthen our supply chain, broadening our product offerings, and enhancing market reach through targeted marketing initiatives.

7.18.1 Expansion of operational facilities

(i) Set up a new production facility

We plan to continue focusing on our core competency in the production of food premixes, expanding our production capacity and broadening our product range. As at the LPD, our operational facility, Bestari HQ, a rented premises located in Telok Panglima Garang, Kuala Langat, Selangor, has a total built-up area of approximately 67,465 sq ft. To expand our operations and grow our business, we intend to establish a new production facility by acquiring a parcel of industrial land measuring approximately 10 acres to be identified in Kuala Langat, Selangor.

The proposed acquisition of land and the construction of a new production facility will complement our existing operational facility at Bestari HQ, which will continue to be rented from Core Perpetual, our Promoter and Substantial Shareholder, at prevailing market rates. Collectively, these premises are intended to support our long-term expansion and operational requirements.

7. BUSINESS OVERVIEW (CONT'D)

The construction of this new production facility will be undertaken in 3 phases, where the first phase will involve the construction of a factory building with an estimated built-up area of 85,000 sq ft. As at the LPD, we have identified Bandar Industrial Zone in Kuala Langat as our preferred location and we are currently in the midst of identifying a suitable land parcel within the area. In this respect, the exact location and size of the land to be acquired are subject to changes depending on the price and availability. We have not entered into any sale and purchase agreement for any land and have not appointed any contractor for the construction of the new production facility as at the LPD. After our Listing, we will seek shareholders' approval for the acquisition of a parcel of industrial land for the purpose of setting up a new production facility, if required under the Listing Requirements.

We plan to allocate RM[●] million of our gross proceeds to be raised from the Public Issue to fund the set up and establishment of our first phase of new production facility and the details of the total estimated cost are as follows:

| Set up of new production facility | Estimated costs (RM'000) | Funding | |
|--|-------------------------------------|----------------------------------|---|
| | | IPO proceeds (RM'000) | Internally generated funds/ Bank borrowings (RM'000) |
| Acquisition of land | [●] | [●] | [●] |
| Construction costs for the production facility | [●] | [●] | [●] |
| Interior fit-out costs | [●] | [●] | [●] |
| | <u>[●]</u> | <u>[●]</u> | <u>[●]</u> |

The indicative timeline for the set-up of the first phase of our new production facility is as follows:

| Indicative timeline | Milestones |
|---------------------------------|---|
| 1 st quarter of 2027 | <ul style="list-style-type: none"> Enter into sale and purchase agreement with the land owner |
| 3 rd quarter of 2027 | <ul style="list-style-type: none"> Submit planning permission |
| 1 st quarter of 2028 | <ul style="list-style-type: none"> Obtain approval of planning permission |
| 3 rd quarter of 2028 | <ul style="list-style-type: none"> Submit building plan and other applications for the construction of the new production facility |
| 4 th quarter of 2028 | <ul style="list-style-type: none"> Obtain building plan and other relevant approvals Appoint contractor Commence construction |
| 2 nd quarter of 2029 | <ul style="list-style-type: none"> Complete construction of the new production facility Submit application for relevant approvals and licences (such as the CCC for the completed building, manufacturing licence from MITI and other relevant approvals and permits) |
| 4 th quarter of 2029 | <ul style="list-style-type: none"> Obtain relevant approvals and licences from authorities Install and commission machinery and equipment |
| 1 st quarter of 2030 | <ul style="list-style-type: none"> Commence operations at the new factory |

7. BUSINESS OVERVIEW (CONT'D)

The new production facility is intended to complement our existing facility and upon completion, the first phase of our new production facility is expected to serve as an additional operational facility to support our Group's long-term expansion and operational requirements, including the following:

- (a) increase the production capacity for our existing range of products, as well as new food premises in the future;
- (b) facilitate expansion into ingredient processing activities, namely spice grinding; and
- (c) implement silo systems for the storage of input materials to improve input material supply management, material handling efficiency, and storage conditions.

Phases 2 and 3 are intended to support our longer-term growth plans and are expected to involve the progressive expansion of our production and warehousing facilities, subject to future business requirements and market conditions. The phased development approach is intended to provide us with flexibility to align our capital expenditure with business growth. As at the LPD, the detailed scope, built-up area and implementation timeline for phases 2 and 3 have not been finalised and will be determined based on our operational requirements and business growth trajectory at the relevant time.

Please refer to Section 4.4.1 of this Prospectus on the use of proceeds for the set up of new production facility.

(ii) Purchase new machinery and equipment

We plan to purchase new machinery and equipment to be installed at our new production facility in Kuala Langat, Selangor, to support our expansion in the production of food premixes and the storage of key input materials. The new machinery and equipment are intended to increase our production capacity for food premixes and support the storage of our main input materials. Details of the machinery and equipment are as follows:

- (a) 4 new integrated mixing and packaging lines for the production of food premixes. Our plan is to increase the existing production capacity of our food premixes. Currently, we have 3 mixers which are integrated with 5 packaging lines for the production of fried chicken coating mix at our Telok Panglima Garang factory. For the FYE 2025, the annual capacity for producing fried chicken coating at our existing operational facilities is approximately 53,000 tonnes per annum, with utilisation at 33%.

The new integrated mixing and packaging lines will have a total production capacity of 57,600 tonnes per annum. We plan to install these new lines at the new production facility after the completion of construction of the factory;

- (b) installation of 4 silo systems for the storage of input materials, mainly wheat flour. A silo system is a large vertical steel storage tank used for bulk storage and handling of powdered materials. It generally comprises a storage silo, a loading and discharge system, and a dust removal system. Each silo system will have a storage capacity of 25 tonnes, and we plan to install these silo systems at our new production facility after the completion of construction of the factory; and
- (c) 2 automated end-of-line packaging and handling systems, for carton packaging, palletising and handling of finished products, which are expected to improve operational efficiency and reduce dependency on manual labour.

The acquisition of the new machinery and equipment is expected to increase our overall production capacity upon commissioning of the new production facility.

7. BUSINESS OVERVIEW (CONT'D)

The total estimated cost for the purchase of these new machinery and equipment is RM[●] million, which will be entirely funded through IPO proceeds, as follows:

| Machinery and equipment | Number of units | Estimated costs (RM'000) |
|--------------------------------------|------------------------|---------------------------------|
| Silo system | 4 | [●] |
| Automated end-of-line packaging line | 2 | [●] |
| Automated mixing system | 4 | [●] |
| Packaging machines | 4 | [●] |
| Ancillary equipment and tools | - | [●] |
| | | [●] |

Please refer to Section 4.4.2 of this Prospectus on the use of proceeds for the purchase of new machinery and equipment.

7.18.2 Expansion into ingredient processing activities

We plan to expand into ingredient processing by establishing a spice grinding operation at the new production facility. This initiative aims to strengthen our integration across the food ingredient value chain and enhance operational control over this input material, which is widely used as a seasoning in the production of food premixes.

The proposed investment in ingredient processing activities will provide us with the following strategic benefits and advantages:

- (i) gain control over the grinding specification, particle size distribution and freshness of processed spices, which will improve our product quality and consistency;
- (ii) enhance operational control to better manage the supply of key input materials, production output and production planning;
- (iii) create additional revenue stream through the supply of ground spices to external customers; and
- (iv) strengthen our positioning within the food ingredient value chain.

The expansion will involve the installation of a spice milling line, which comprises the following:

- (i) pre-cleaning and impurity removal equipment to remove foreign materials and contaminants from the spices;
- (ii) grinding machine, which is the core component of a spice milling line to reduce the spices to the required particle size;
- (iii) sieving equipment to separate the fine powder from particles which do not meet the required size; and
- (iv) weighing and packaging equipment to pack the finished products into the required packaging.

7. BUSINESS OVERVIEW (CONT'D)

The spice milling line will have an annual capacity of approximately 1,200 tonnes, and the estimated timeline for the establishment of spice-grinding operations is as follows:

| Indicative timeline | Milestones |
|---------------------------------|---|
| 2 nd quarter of 2029 | <ul style="list-style-type: none"> Place order for the spice milling line |
| 4 th quarter of 2029 | <ul style="list-style-type: none"> Estimated delivery of the machinery and equipment Install and commission the machinery and equipment |
| 1 st quarter of 2030 | <ul style="list-style-type: none"> Commence commercial production |

The total estimated cost for the setup of this spice milling line is RM[●] million, to be entirely funded through IPO proceeds.

7.18.3 Expansion of product range

As a producer of food premixes, our product development is an ongoing process to broaden our product range to respond to evolving customer requirements and market preferences.

In the near term, we intend to expand our product range through the following initiatives:

- (i) development of a new range of seasoned flour premixes, seasoning premixes and food base premixes to cater for various food applications;
- (ii) introduce new flavours or variants of existing products to attract new customers and to increase purchases from existing customers; and
- (iii) enhancement of formulations of our existing products to meet evolving customer preferences.

7.18.4 Expansion of marketing and promotional activities

(i) Foreign market expansion

For the Financial Years Under Review, we mainly serve customers in Malaysia. Our export revenue accounted for 3.5% (RM4.8 million), 2.7% (RM4.4 million) and 3.2% (RM5.6 million) of our total revenue for the Financial Years Under Review respectively, while the remaining were primarily from our main export countries, which are mainly Singapore and Brunei.

Our strategy is to expand our reach into foreign markets to grow our business across regions, including Southeast Asia. We plan to leverage overseas resellers, utilising their established networks to access new markets without significant investment in resources or facilities in those countries.

We plan to continue growing our export footprint by appointing new distributors in Southeast Asia to strengthen our regional presence and market penetration.

(ii) Expand marketing activities

We plan to continue our focus on sales and marketing to increase brand awareness, enhance brand visibility and recognition, and strengthen product visibility. In this respect, we plan to allocate approximately RM[●] million, representing approximately [●]% of our gross proceeds to be raised from the Public Issue for expansion in our marketing and promotional activities, which will comprise the following:

7. BUSINESS OVERVIEW (CONT'D)

Exhibitions: We intend to participate in a series of local and regional F&B trade fairs, consumer expos, and industry-specific events over the next 6 months. These exhibitions are expected to provide opportunities for us to showcase our product offerings, enhance brand visibility, and engage directly with distributors, retailers, and end consumers.

Billboard advertisements: We intend to deploy additional billboard advertising campaigns at strategic, high-traffic locations across key urban areas in Malaysia. These locations are expected to include major highways, commercial districts, and densely populated areas, enabling us to reach a broad segment of consumers while enhancing brand visibility and market awareness of our food premix products.

Digital marketing: We will continue to execute social media campaigns including developing digital marketing content such as festive-themed promotional videos, engaging social media influencers and celebrities, as well as live-streaming activities to enhance brand visibility and strengthen our digital presence and consumer outreach.

On-ground promotional activities and brand collaboration: We will continue to undertake on-ground promotional activities such as product sampling, promotional displays, as well as collaborations with other brands for joint promotional and cross-marketing campaigns. These initiatives are expected to enhance product exposure, increase consumer engagement and drive product purchases.

Please refer to Section 4.4.3 of this Prospectus on the use of proceeds for marketing expenses.

7.19 MATERIAL DEPENDENCY ON CONTRACTS

As at the LPD, our Group's business operations and financial performance are materially dependent on the following contracts:

- (i) **Tenancy agreements dated 1 August 2025 entered into between Core Perpetual who is our Promoter and Substantial Shareholder (as landlord) and our Group (as tenants) for the rental of Bestari HQ, as supplemented by supplemental letters dated 10 April 2026 (collectively, the "Tenancy Agreements")**

| Details | Salient terms |
|--------------|--|
| Parties | Core Perpetual (as landlord) and Bestari Sales, Synerchem Engineering, Synerchem Food Processing, Synerchem Ingredients and Synerchem Services (as tenants). |
| Description | The Tenancy Agreements were respectively entered into for the rental of Bestari HQ from Core Perpetual to Bestari Sales, Synerchem Engineering, Synerchem Food Processing, Synerchem Ingredients and Synerchem Services. |
| Rental | Collectively, RM265,000 per month. |
| Initial term | (i) From 1 January 2025 to 31 December 2027 in respect of the tenancies with Bestari Sales, Synerchem Engineering, Synerchem Food Processing and Synerchem Ingredients, subject to automatic renewal for consecutive terms of 3 years each thereafter; and (ii) From 1 July 2025 to 30 June 2028 in respect of the tenancy with Synerchem Services (following its commencement of business activities in July 2025), subject to automatic renewal for consecutive terms of 3 years each thereafter. |

7. BUSINESS OVERVIEW (CONT'D)

| Details | Salient terms |
|-------------------|---|
| Renewal | <p>Upon the expiration of the initial term, the Tenancy Agreements shall automatically be renewed for consecutive terms of 3 years, each commencing immediately upon the expiry of the preceding term, at a monthly rental to be mutually agreed between the parties based on the then prevailing market rates, provided that:</p> <ul style="list-style-type: none"> (i) Bestari HQ remains in operation; (ii) there is no breach or non-observance by the tenants of any of the covenants on their part, including any circumstance which would constitute an event of default under the Tenancy Agreements, which the tenants fail to remedy such default within the timeframe stipulated therein; and (iii) the tenants have paid all rental and other charges payable under the Tenancy Agreements. |
| Events of default | <p>The landlord may terminate the Tenancy Agreements upon the occurrence of any of the following events of default:</p> <ul style="list-style-type: none"> (i) the rental or any part thereof is in arrears and unpaid for 30 days after the same becomes due; (ii) the tenants fail or neglect to perform or observe any covenant or stipulation under the Tenancy Agreements; (iii) the tenants enter into liquidation (whether compulsory or voluntary), save for the purpose of reconstruction or amalgamation; or (iv) the tenants enter into any arrangement or composition for the benefit of its creditors or suffers any distress, attachment or execution to be levied against its goods. <p>Upon the occurrence of any such event, our landlord is entitled to serve a forfeiture notice on the tenant, and the tenant shall have 30 days from the date of such notice to remedy the breach. If the breach is not remedied within such period, our landlord shall be entitled to take possession of Bestari HQ and terminate the Tenancy Agreements without prejudice to our landlord's rights in respect of any antecedent breach or to terminate the Tenancy Agreements by giving written notices to the respective tenants.</p> |

Our Group rents Bestari HQ as our headquarters from Core Perpetual at an aggregate monthly rental of RM265,000. Our Group is operationally dependent on Bestari HQ as our sole operating facility and any non-renewal of the Tenancy Agreements would have a material impact on our business operations and financial performance.

Notwithstanding this, the Tenancy Agreements provide for automatic renewal for consecutive 3-year terms. In addition, our landlord's right to terminate the tenancy is contractually limited to specified events of default.

7. BUSINESS OVERVIEW (CONT'D)

(ii) Distributorship agreement dated 1 July 2025 entered into between Bestari Sales and Kapaly (“Distributorship Agreement”)

| Details | Salient terms |
|-----------------|--|
| Description | The Distributorship Agreement was entered into to appoint Kapaly as distributor to market, sell and distribute Bestari Sales’ products within Selangor, Kuala Lumpur and Putrajaya. |
| Term | 1 year from the date of the Distributorship Agreement. |
| Pricing | The prices for all products to be supplied by Bestari Sales to Kapaly shall be provided through Bestari Sales’ price list, as updated from time to time. |
| Payment | <p>Kapaly shall pay to Bestari Sales the price for each delivery of products ordered within 60 days from the date of the invoice issued by Bestari Sales.</p> <p>If Kapaly fails, neglects and/or refuses to pay the price for any products within the stipulated period, our Group shall be entitled (without prejudice to any other rights or remedies available) to:</p> <ul style="list-style-type: none"> (i) cancel or suspend any further delivery to Kapaly under any order; and/or (ii) sell or otherwise dispose of any products which are the subject of any order by Kapaly, whether or not appropriated thereto, and apply the proceeds of sale to the overdue payment. |
| Non-competition | Kapaly shall not obtain the products (or any products or goods which compete with Bestari Sales’ products) for resale from any person, firm or company other than Bestari Sales. |
| Non-exclusivity | <p>The agreement shall not be construed as restricting Bestari Sales’ right to enter into distributorship agreements or other arrangement with third parties in respect of the products and/or products of a similar nature for distribution or sale within or outside of the territory.</p> <p>Kapaly shall not have any priority of supply within the territory against Bestari Sales’ other distributors or customers.</p> |
| Termination | <p>Either party may terminate the Distributorship Agreement at any time by giving 30 days’ written notice to the other party.</p> <p>Upon termination of the Distributorship Agreement or at any time prior to such termination at the request of Bestari Sales, Kapaly shall at its own costs and expenses promptly destroy all sale aids created by Kapaly, return to Bestari Sales or otherwise dispose of as Bestari Sales may instruct, all brochures, pamphlets, catalogues, advertising materials and other materials, documents and papers relating to the business of our Group that are in Kapaly’s possession or control, and deliver to Bestari Sales all books of account and records relating to the distributorship in accordance with the Distributorship Agreement.</p> |

7. BUSINESS OVERVIEW (CONT'D)

Kapaly is a major customer of our Group, contributing approximately 19.8% to 22.6% of our Group's total revenue for the Financial Years Under Review. Kapaly is appointed to distribute our Group's premix ingredient products that are marketed and sold under our 'Bestari' brand within Selangor, Kuala Lumpur and Putrajaya. The Distributorship Agreement is renewable annually and may be terminated by either party at any time by giving 30 days' prior written notice to the other party.






Please refer to Section 7.15 of this Prospectus for our dependency on Kapaly as a major customer.

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7. BUSINESS OVERVIEW (CONT'D)

7.20 INTELLECTUAL PROPERTY RIGHTS








As at the LPD, our Group does not own and has not applied for the registration of any other material intellectual properties other than those disclosed below:

| No. | Trademark | Approving authority | Registered owner | Trademark no. | Validity period | Place of registration | Class ⁽¹⁾ | Status |
|-----|--|---------------------|---------------------------|---------------|------------------------------------|-----------------------|----------------------|------------|
| 1. |  | MyIPO | Synerchem Food Processing | 03009142 | 23 July 2003 to 23 July 2033 | Malaysia | Class 30 | Registered |
| 2. |  | MyIPO | Synerchem Food Processing | 03009143 | 23 July 2003 to 23 July 2033 | Malaysia | Class 30 | Registered |
| 3. | POLY FISH | MyIPO | Synerchem Food Processing | 03014552 | 28 October 2003 to 28 October 2033 | Malaysia | Class 30 | Registered |
| 4. | POLY MEAT | MyIPO | Synerchem Food Processing | 03014553 | 28 October 2003 to 28 October 2033 | Malaysia | Class 30 | Registered |
| 5. |    | MyIPO | Synerchem Food Processing | 09018088 | 16 October 2009 to 16 October 2029 | Malaysia | Class 30 | Registered |









7. BUSINESS OVERVIEW (CONT'D)

| No. | Trademark | Approving authority | Registered owner | Trademark no. | Validity period | Place of registration | Class⁽¹⁾ | Status |
|------------|--|----------------------------|---------------------------|----------------------|------------------------------------|------------------------------|----------------------------|---------------|
| 6. |  | MyIPO | Synerchem Food Processing | TM2020006611 | 6 April 2020 to 6 April 2030 | Malaysia | Class 29 | Registered |
| 7. | PANGLIMA | MyIPO | Synerchem Food Processing | TM2021018311 | 5 July 2021 to 5 July 2031 | Malaysia | Class 30 | Registered |
| 8. |  | MyIPO | Synerchem Food Processing | TM2021021883 | 6 August 2021 to 6 August 2031 | Malaysia | Class 29 | Registered |
| 9. |  | MyIPO | Synerchem Food Processing | TM2021021884 | 6 August 2021 to 6 August 2031 | Malaysia | Class 30 | Registered |
| 10. |  | MyIPO | Synerchem Food Processing | TM2021021885 | 6 August 2021 to 6 August 2031 | Malaysia | Class 29 | Registered |
| 11. |  | MyIPO | Synerchem Food Processing | TM2021021886 | 6 August 2021 to 6 August 2031 | Malaysia | Class 30 | Registered |
| 12. | Baiduri | MyIPO | Synerchem Food Processing | TM2024034989 | 7 November 2024 to 7 November 2034 | Malaysia | Class 29 | Registered |
| 13. | Baiduri | MyIPO | Synerchem Food Processing | TM2024034990 | 7 November 2024 to 7 November 2034 | Malaysia | Class 30 | Registered |








7. BUSINESS OVERVIEW (CONT'D)

| No. | Trademark | Approving authority | Registered owner | Trademark no. | Validity period | Place of registration | Class⁽¹⁾ | Status |
|------------|---|---|---------------------------|----------------------|-------------------------------------|------------------------------|----------------------------|---------------|
| 14. |  | IP Australia | Synerchem Food Processing | 2249828 | 6 October 2021 to 6 October 2031 | Australia | Class 29 and Class 30 | Registered |
| 15. |  | Brunei Darussalam Intellectual Property Office | Synerchem Food Processing | 50472 | 14 January 2020 to 18 February 2029 | Brunei | Class 29 and Class 30 | Registered |
| 16. |  | Department of Intellectual Property | Synerchem Food Processing | KH/2019/73026 | 23 August 2019 to 28 February 2029 | Cambodia | Class 30 | Registered |
| 17. |  | Department of Intellectual Property | Synerchem Food Processing | KH/2019/73025 | 23 August 2019 to 28 February 2029 | Cambodia | Class 29 | Registered |
| 18. |  | Office of the Controller General of Patents, Design & Trade Marks | Synerchem Food Processing | 5277422 | 8 January 2022 to 8 January 2032 | India | Class 29 | Registered |
| 19. |  | Office of the Controller General of Patents, Design & Trade Marks | Synerchem Food Processing | 5277423 | 8 January 2022 to 8 January 2032 | India | Class 30 | Registered |
| 20. |  | Directorate General of Intellectual Property | Synerchem Food Processing | IDM001176372 | 19 April 2024 to 3 July 2033 | Indonesia | Class 29 | Registered |


7. BUSINESS OVERVIEW (CONT'D)

| No. | Trademark | Approving authority | Registered owner | Trademark no. | Validity period | Place of registration | Class⁽¹⁾ | Status |
|------------|---|---|---------------------------|----------------------|--------------------------------------|----------------------------------|----------------------------|---------------|
| 21. |  | Directorate General of Intellectual Property | Synerchem Food Processing | IDM000665715 | 15 January 2020 to 12 February 2029 | Indonesia | Class 29 and Class 30 | Registered |
| 22. |  | Directorate General of Intellectual Property | Synerchem Food Processing | IDM001400121 | 21 May 2025 to 21 May 2035 | Indonesia | Class 30 | Registered |
| 23. |  | Japan Patent Office | Synerchem Food Processing | 6269853 | 15 July 2020 to 15 July 2030 | Japan | Class 29 and Class 30 | Registered |
| 24. |  | Department of Intellectual Property | Synerchem Food Processing | 48602 | 5 November 2020 to 15 January 2030 | Lao People's Democratic Republic | Class 29 and Class 30 | Registered |
| 25. |  | New Zealand Intellectual Property Office | Synerchem Food Processing | 1203079 | 4 October 2022 to 4 October 2032 | New Zealand | Class 29 and Class 30 | Registered |
| 26. |  | Intellectual Property Office of the Philippines | Synerchem Food Processing | 4/2019/00008809 | 10 November 2019 to 10 November 2029 | Philippines | Class 29 and Class 30 | Registered |
| 27. |  | Intellectual Property Office of Singapore | Synerchem Food Processing | 40201901944W | 5 December 2019 to 29 January 2029 | Singapore | Class 29 and Class 30 | Registered |
| 28. |  | National Intellectual Property Office | Synerchem Food Processing | 1/223435 | 30 June 2023 to 23 October 2027 | Sri Lanka | Class 30 | Registered |



7. BUSINESS OVERVIEW (CONT'D)

| No. | Trademark | Approving authority | Registered owner | Trademark no. | Validity period | Place of registration | Class⁽¹⁾ | Status |
|------------|---|---|---------------------------|----------------------|-------------------------------------|---|----------------------------|---------------|
| 29. |  | National Intellectual Property Office | Synerchem Food Processing | 1/238088 | 31 August 2023 to 25 January 2029 | Sri Lanka | Class 29 | Registered |
| 30. |  | National Intellectual Property Office | Synerchem Food Processing | 1/238087 | 17 February 2026 to 25 January 2029 | Sri Lanka | Class 30 | Registered |
| 31. |  | Department of Intellectual Property | Synerchem Food Processing | 231101576 | 18 January 2023 to 12 August 2029 | Thailand | Class 29 | Registered |
| 32. |  | Department of Intellectual Property | Synerchem Food Processing | 191109038 | 5 June 2019 to 26 October 2027 | Thailand | Class 30 | Registered |
| 33. |  | Department of Intellectual Property | Synerchem Food Processing | 231101573 | 18 January 2023 to 12 August 2029 | Thailand | Class 30 | Registered |
| 34. |  | United States Patent and Trademark Office | Synerchem Food Processing | 79333563 | 7 March 2023 to 7 March 2033 | United States | Class 29 and Class 30 | Registered |
| 35. |  | World Intellectual Property Organisation ⁽²⁾ | Synerchem Food Processing | 1644743 | 6 October 2021 to 6 October 2031 | Australia, European Union, United Kingdom, Korea, New Zealand, United States ⁽¹⁾ | Class 29 and Class 30 | Registered |

7. BUSINESS OVERVIEW (CONT'D)

| No. | Trademark | Approving authority | Registered owner | Trademark no. | Validity period | Place of registration | Class⁽¹⁾ | Status |
|------------|---|---|---------------------------|----------------------|--|------------------------------|----------------------------|---------------|
| 36. |  | Intellectual Property Office of Vietnam | Synerchem Food Processing | 4-0394274-000 | 27 July 2021 to 17 April 2029 | Vietnam | Class 29 and Class 30 | Registered |
| 37. |  | China National Intellectual Property Administration | Synerchem Food Processing | 38830942 | 21 December 2021 to 20 December 2031 | China | Class 29 | Registered |
| 38. |  | China National Intellectual Property Administration | Synerchem Food Processing | 38830951 | 14 April 2020 to 14 April 2030 | China | Class 30 | Registered |
| 39. |  | Taiwan Intellectual Property Office | Synerchem Food Processing | 02123735 | 16 February 2020 to 15 February 2030 | Taiwan | Class 29 and Class 30 | Registered |
| 40. |  | Hong Kong Intellectual Property Department | Synerchem Food Processing | 305195016 | 20 February 2020 to 19 February 2030 | Hong Kong | Class 29 and Class 30 | Registered |
| 41. |  | Economic and Technological Development Bureau | Synerchem Food Processing | N / 165350 (064) | 29 July 2020 to 29 July 2027 | Macao | Class 29 | Registered |
| 42. |  | Economic and Technological Development Bureau | Synerchem Food Processing | N / 165351 (388) | 10 September 2020 to 10 September 2027 | Macao | Class 30 | Registered |

7. BUSINESS OVERVIEW (CONT'D)



| No. | Trademark | Approving authority | Registered owner | Trademark no. | Validity period | Place of registration | Class⁽¹⁾ | Status |
|------------|---|--|---------------------------|----------------------|-----------------------------------|------------------------------|----------------------------|---------------|
| 43. |  | Myanmar Intellectual Property Department | Synerchem Food Processing | 2025/001910 | 17 February 2025 to 26 April 2033 | Myanmar | Class 29 | Registered |
| 44. |  | Myanmar Intellectual Property Department | Synerchem Food Processing | 2025/001911 | 17 February 2025 to 26 April 2033 | Myanmar | Class 30 | Registered |

Notes:

- (1) Trademark classifications are based on the Nice Classification system administered by the World Intellectual Property Organisation (“**WIPO**”). Class 29 includes mainly foodstuffs of animal origin, as well as fruits and vegetables, and other horticultural comestible products which are prepared or preserved for consumption, while Class 30 includes mainly foodstuffs of plant origin, except fruits and vegetables, prepared or preserved for consumption, as well as auxiliaries intended for the improvement of the flavour of food. For each trademark application, our Group specifies one or more goods within those classes for which protection is sought, depending on the scope of our products.
- (2) WIPO operates a centralised system for international trademark registration known as the Madrid System. The Madrid System allows applicants to file a single trademark application with a WIPO member country via that country's national intellectual property office and gives the applicant the discretion to choose to apply for additional trademark protection in up to 130 countries worldwide that are covered by the WIPO's member countries. The applicant may designate such additional WIPO member countries either during the initial application process, or after registration of the trademark with the WIPO member country that it wishes to seek additional trademark protection in (“**Designated Countries**”). Upon selecting and informing the WIPO of the applicant's choice of Designated Countries, the WIPO will inform the respective Designated Countries of the applicant's request, and the respective national intellectual property office of each Designated Country will review the applicant's request and either approve the grant of trademark protection in that Designated Country or provisionally refuse to provide trademark protection.

7. BUSINESS OVERVIEW (CONT'D)

Our Group has also submitted the following trademark applications which are respectively pending approval and registration and pending recordal of assignment:

| No. | Trademark | Application no. / date | Applicant | Class | Approving authority / Country | Status |
|-----|---|----------------------------------|---|-------------------|-------------------------------|---|
| 1. |  | TM2026001539/ 15 January 2026 | Synerchem Food Processing | 29 ⁽¹⁾ | MyIPO / Malaysia | Under substantive examination ⁽³⁾ |
| 2. |  | 2010017463 / 28 November 2025 | Core Perpetual / Synerchem Food Processing | 30 ⁽²⁾ | MyIPO / Malaysia | Pending recordal of assignment ⁽⁴⁾ |

Notes:

- (1) Meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams and compotes; eggs; milk, and other milk products; oils and fats for food.
- (2) Coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee, flour and preparations made from cereals, bread, pastry, and confectionery, ices, honey, treacle, yeast, baking powder; salt, mustard, vinegar, sauces (condiments); spices, ice, seasoning, pre-mixed flour, self raising flour, cake flour, starches, fried chicken flour, custard flour, jelly flour, powder, flavouring essence, flavouring liquids, soy sauce, chili sauce, tomato sauce, liquid seasoning, pre-mixed cake flour, ice-cream pre-mixed flour and herbs; all included in class 30.
- (3) Our Group's trademark agent has, vide its letter dated 29 January 2026, informed that the typical processing time from filing of the trademark to registration is 8 to 12 months, depending on the assigned registrar.
- (4) Pursuant to a trademark assignment agreement dated 28 November 2025 entered into between Synerchem Food Processing and Core Perpetual, the registered trademark has been assigned to Synerchem Food Processing together with the goodwill of the business relating thereto. Accordingly, our Group is able to continue our existing branding and marketing activities without interruption during the interim period, pending the recordal of assignment by MyIPO.

Although our Group is not entitled to initiate legal action under the Trademarks Act 2019 to prevent any unauthorised use of trademarks which are similar or identical to the abovementioned unregistered trademarks, our Group may still initiate legal action under common law against any third-party for passing off or misrepresenting their goods and services as those of our Group, and for causing damage to the goodwill and reputation of our Group's business. Further, our Group has not been subject to any claims relating to the use of these unregistered trademarks for infringement in the past.

7. BUSINESS OVERVIEW (CONT'D)

7.21 MAJOR APPROVALS, LICENCES AND PERMITS

As at the LPD, we hold the following major approvals, licences and permits for our business operations:

| No. | Company | Description of certificate / licence / permit | Approving authority | Certificate / Registration / Licence / Permit no. | Issuance date / Validity period | Major conditions imposed | Status of compliance |
|------------|-----------------------|---|--------------------------------|--|--|--|-----------------------------|
| 1. | Bestari Sales | Business premise licence for administrative office Licensed premises: Bestari HQ | Kuala Langat Municipal Council | 30000000104815 | Date of issue 26 November 2025 Validity period 26 November 2025 to 31 December 2026 | The licence is to be renewed between November and December annually. Failure to renew the licence within stipulated period may result in the licensee being compounded and/or the licence being revoked and cancelled. | Noted |
| 2. | Bestari Sales | Certificate of registration for food premises involved in storage Licensed premises: Bestari HQ | Ministry of Health Malaysia | FSSM052100530-0 | Date of issue 23 September 2024 Validity period 11 May 2024 to 11 May 2027 | Certificate of registration for food premise is non-transferable | Noted |
| 3. | Synerchem Engineering | Business premise licence for sales office and food processing ⁽¹⁾ and signboard licence Licensed premises: Bestari HQ | Kuala Langat Municipal Council | 30110000120003 | Date of issue 26 November 2025 Validity period 26 November 2025 to 31 December 2026 | The licence is to be renewed between November and December annually. Failure to renew the licence within stipulated period may result in the licensee being compounded and/or the licence being revoked and cancelled. | Noted |

7. BUSINESS OVERVIEW (CONT'D)

| No. | Company | Description of certificate / licence / permit | Approving authority | Certificate / Registration / Licence / Permit no. | Issuance date / Validity period | Major conditions imposed | Status of compliance |
|------------|---------------------------|--|--------------------------------|--|--|--|-----------------------------|
| 4. | Synerchem Ingredients | Business premise licence for sales office and storage Licensed premises: Bestari HQ | Kuala Langat Municipal Council | 30100000102988 | Date of issue 26 November 2025 Validity period 26 November 2025 to 31 December 2026 | The licence is to be renewed between November and December annually. Failure to renew the licence within stipulated period may result in the licensee being compounded and/or the licence being revoked and cancelled. | Noted |
| 5. | Synerchem Ingredients | Certificate of registration for food premises involved in storage Licensed premises: Bestari HQ | Ministry of Health Malaysia | FSSM052100529-0 | Date of issue 23 September 2024 Validity period 11 May 2024 to 11 May 2027 | Certificate of registration for food premise is non-transferable | Noted |
| 6. | Synerchem Food Processing | Business premise licence for office and food processing and signboard licence Licensed premises: Bestari HQ | Kuala Langat Municipal Council | 30100000102992 | Date of issue 26 November 2025 Validity period 26 November 2025 to 31 December 2026 | The licence is to be renewed between November and December annually. Failure to renew the licence within stipulated period may result in the licensee being compounded and/or the licence being revoked and cancelled. | Noted |

7. BUSINESS OVERVIEW (CONT'D)

| No. | Company | Description of certificate / licence / permit | Approving authority | Certificate / Registration / Licence / Permit no. | Issuance date / Validity period | Major conditions imposed | Status of compliance |
|------------|---------------------------|---|-----------------------------|--|---|--|--|
| 7. | Synerchem Food Processing | Certificate of registration for food premises involved in food manufacturing Licensed premises: Bestari HQ | Ministry of Health Malaysia | FSSM0920013 60-01 | Date of issue 18 August 2023 Validity period 17 September 2023 to 17 September 2026 | Certificate of registration for food premise is non-transferable | Noted |
| 8. | Synerchem Food Processing | Manufacturing licence to manufacture flour mixes, seasoning mixes and instant powder Licensed premises: Bestari HQ | MITI | A040329 | Date of issue 6 January 2022 Validity period Valid from 12 November 2021 until revoked | <ol style="list-style-type: none"> Any disposal of the company's shares shall be notified to MITI and MIDA The company shall comply with the capital investment per employee ratio requirement - Capital Investment Per Employee (CIPE) of at least RM140,000. The full-time workforce shall consist of at least 80% Malaysian citizen by 31 December 2022. Employment of foreign workers will be subject to the applicable policy at the time. | <p>Noted</p> <p>Complied</p> <p>To be complied⁽²⁾</p> |

7. BUSINESS OVERVIEW (CONT'D)

| No. | Company | Description of certificate / licence / permit | Approving authority | Certificate / Registration / Licence / Permit no. | Issuance date / Validity period | Major conditions imposed | Status of compliance |
|------------|---------------------------|--|----------------------------|--|--|---------------------------------|-----------------------------|
| 10. | Synerchem Food Processing | Halal Certificate of Authentication certifying that the applicable products manufactured/ distributed/ managed by Synerchem Food Processing at Bestari HQ have complied with Islamic Law and Malaysian Halal Standard and approved by Halal Certification Panel of Selangor Islamic Religious Department | JAKIM | A232064; A232065; A232066; A232067; and A232068 | Date of issue 16 August 2024 Validity period 16 August 2024 to 15 August 2026 | Nil | N/A |
| 11. | Synerchem Food Processing | Halal Certificate of Authentication certifying that the applicable products manufactured/ distributed/ managed by Synerchem Food Processing at Bestari HQ have complied with Islamic Law and Malaysian Halal Standard and approved by Halal Certification Panel of Selangor Islamic Religious Department | JAKIM | A238345; A238346; and A238347 | Date of issue 16 November 2024 Validity period 16 November 2024 to 15 November 2026 | Nil | N/A |

7. BUSINESS OVERVIEW (CONT'D)

| No. | Company | Description of certificate / licence / permit | Approving authority | Certificate / Registration / Licence / Permit no. | Issuance date / Validity period | Major conditions imposed | Status of compliance |
|------------|---------------------------|--|----------------------------|--|---|---------------------------------|-----------------------------|
| 12. | Synerchem Food Processing | Halal Certificate of Authentication certifying that the applicable products manufactured/ distributed/ managed by Synerchem Food Processing at Bestari HQ have complied with Islamic Law and Malaysian Halal Standard and approved by Halal Certification Panel of Selangor Islamic Religious Department | JAKIM | A238995 | Date of issue 01 December 2024 Validity period 1 December 2024 to 30 November 2026 | Nil | N/A |
| 13. | Synerchem Food Processing | Halal Certificate of Authentication certifying that the applicable products manufactured/ distributed/ managed by Synerchem Food Processing at Bestari HQ have complied with Islamic Law and Malaysian Halal Standard and approved by Halal Certification Panel of Selangor Islamic Religious Department | JAKIM | A247562; and A247563 | Date of issue 01 March 2025 Validity period 1 March 2025 to 28 February 2027 | Nil | N/A |

7. BUSINESS OVERVIEW (CONT'D)

| No. | Company | Description of certificate / licence / permit | Approving authority | Certificate / Registration / Licence / Permit no. | Issuance date / Validity period | Major conditions imposed | Status of compliance |
|------------|---------------------------|--|----------------------------|--|--|---------------------------------|-----------------------------|
| 14. | Synerchem Food Processing | Halal Certificate of Authentication certifying that the applicable products manufactured/ distributed/ managed by Synerchem Food Processing at Bestari HQ have complied with Islamic Law and Malaysian Halal Standard and approved by Halal Certification Panel of Selangor Islamic Religious Department | JAKIM | A247643; A247644; A247645; A247646; A247647; A247648; A247649; and E04498 | Date of issue 01 July 2025 Validity period 1 July 2025 to 30 June 2027 | Nil | N/A |
| 15. | Synerchem Food Processing | Halal Certificate of Authentication certifying that the applicable products manufactured/ distributed/ managed by Synerchem Food Processing at Bestari HQ have complied with Islamic Law and Malaysian Halal Standard and approved by Halal Certification Panel of Selangor Islamic Religious Department | JAKIM | E21039; E21040; E21041; E21042; and E21043 | Date of issue 16 December 2025 Validity period 16 December 2025 to 15 December 2027 | Nil | N/A |

7. BUSINESS OVERVIEW (CONT'D)

| No. | Company | Description of certificate / licence / permit | Approving authority | Certificate / Registration / Licence / Permit no. | Issuance date / Validity period | Major conditions imposed | Status of compliance |
|------------|---------------------------|--|----------------------------|--|---|---------------------------------|-----------------------------|
| 16. | Synerchem Food Processing | Halal Certificate of Authentication certifying that the applicable products manufactured/ distributed/ managed by Synerchem Food Processing at Bestari HQ have complied with Islamic Law and Malaysian Halal Standard and approved by Halal Certification Panel of Selangor Islamic Religious Department | JAKIM | E25218; E25219; E25220; E25221; and E25222 | Date of issue 16 January 2026 Validity period 16 January 2026 to 15 January 2028 | Nil | N/A |
| 17. | Synerchem Food Processing | Halal Certificate of Authentication certifying that the applicable products manufactured/ distributed/ managed by Synerchem Food Processing at Bestari HQ have complied with Islamic Law and Malaysian Halal Standard and approved by Halal Certification Panel of Selangor Islamic Religious Department | JAKIM | E31812 | Date of issue 1 April 2026 Validity period 1 April 2026 to 31 March 2028 | Nil | N/A |

7. BUSINESS OVERVIEW (CONT'D)

| No. | Company | Description of certificate / licence / permit | Approving authority | Certificate / Registration / Licence / Permit no. | Issuance date / Validity period | Major conditions imposed | Status of compliance |
|------------|---------------------------|---|---|--|---|--|--|
| 18. | Synerchem Food Processing | Scheduled controlled goods permit allowing Synerchem Food Processing to purchase and store the following goods: Non-subsidised cooking oil - 1,000 kg Licensed premises: Bestari HQ | Ministry of Domestic Trade and Cost of Living | SL (SPG) 05/22 P (AB) | Date of issue 29 March 2025 Validity period 29 March 2025 to 28 May 2028 | <ol style="list-style-type: none"> To store scheduled controlled items only at the address permitted in this permit. To store or have in one's possession scheduled controlled goods not exceeding the quantity permitted in this permit. The scheduled controlled goods purchased shall be for personal use and not for resale. Permit renewal must be submitted 30 days before expiration. | <p>Complied</p> <p>Complied</p> <p>Complied</p> <p>Noted</p> |

7. BUSINESS OVERVIEW (CONT'D)

| No. | Company | Description of certificate / licence / permit | Approving authority | Certificate / Registration / Licence / Permit no. | Issuance date / Validity period | Major conditions imposed | Status of compliance |
|------------|---------------------------|---|---|--|--|--|---|
| 19. | Synerchem Food Processing | Scheduled controlled goods permit allowing Synerchem Food Processing to purchase and store the following goods: 1. Non-subsidised wheat flour - 1,000,000 kg 2. Non-subsidised sugar - 15,000 kg Licensed premises: Bestari HQ | Ministry of Domestic Trade and Cost of Living | SL(SPG)18/25 P (AB) | Date of issue 19 May 2025 Validity period 19 May 2025 to 18 May 2027 | 1. To store scheduled controlled items only at the address permitted in this permit. 2. To store or have in one's possession scheduled controlled goods not exceeding the quantity permitted in this permit. 3. The scheduled controlled goods purchased shall be for personal use and not for resale. 4. Permit renewal must be submitted 30 days before expiration. | Complied Complied Complied Noted |
| 20. | Synerchem Services | Temporary business premise licence for office Licensed premises: Bestari HQ | Kuala Langat Municipal Council | MPKL/JPL/L28 45(TPG) | Date of issue 8 March 2026 Validity period 8 March 2026 to 7 September 2026 | This temporary business premise licence must be displayed at all times in a place that is clearly visible | Complied |

7. BUSINESS OVERVIEW (CONT'D)

| No. | Company | Description of certificate / licence / permit | Approving authority | Certificate / Registration / Licence / Permit no. | Issuance date / Validity period | Major conditions imposed | Status of compliance |
|------------|---------------------------|---|--------------------------------|--|---|---|-----------------------------|
| 21. | Synerchem Food Processing | Temporary business premise licence for storage Licensed premises: No. 16, Jalan Rajawali 5, Batu 9, Kawasan Perusahaan Kebun Baru, 42500 Telok Panglima Garang, Kuala Langat, Selangor | Kuala Langat Municipal Council | MPKL/JPL/L29 51(TPG) | Date of issue 1 April 2026 Validity period 1 April 2026 to 30 September 2026 | This temporary business premise licence must be displayed at all times in a place that is clearly visible | Complied |
| 22. | Synerchem Food Processing | Temporary business premise licence for storage Licensed premises: No. 28, Jalan Rajawali 5, Batu 9, Kawasan Perusahaan Kebun Baru, 42500 Telok Panglima Garang, Kuala Langat, Selangor | Kuala Langat Municipal Council | MPKL/PL/L29 52(TPG) | Date of issue 1 April 2026 Validity period 1 April 2026 to 30 September 2026 | This temporary business premise licence must be displayed at all times in a place that is clearly visible | Complied |

7. BUSINESS OVERVIEW (CONT'D)

| No. | Company | Description of certificate / licence / permit | Approving authority | Certificate / Registration / Licence / Permit no. | Issuance date / Validity period | Major conditions imposed | Status of compliance |
|------------|----------------|---|----------------------------|--|--|--|-----------------------------|
| 23. | Synerchem (S) | Approval of Registration pursuant to Part IVA of the Regulation of Imports and Exports Regulations and Part XIVA of the Customs Regulations | Singapore Customs | 199405323C | N/A | The declaring entity must inform Singapore Customs of any changes to any of its particulars registered with Director-General, and of any change to its key personnel. Such changes include, but are not limited to, any change in ownership, change in address, change in contact details and termination of business. | Noted |
| 24. | Synerchem (S) | Registration to Import Processed Food Products and Food Appliances | Singapore Food Agency | IP22G1822 | Date of issue 1 August 2025 Validity period 1 August 2025 to 31 July 2026 | When any of the particulars of the company have been changed, the licensee shall inform the Singapore Food Agency within 14 days. | Noted |
| 25. | Bestari (S) | Approval of Registration pursuant to Part IVA of the Regulation of Imports and Exports Regulations and Part XIVA of the Customs Regulations | Singapore Customs | 201503509C | N/A | The declaring entity must inform Singapore Customs of any changes to any of its particulars registered with Director-General, and of any change to its key personnel. Such changes include, but are not limited to, any change in ownership, change in address, change in contact details and termination of business. | Noted |

7. BUSINESS OVERVIEW (CONT'D)

| No. | Company | Description of certificate / licence / permit | Approving authority | Certificate / Registration / Licence / Permit no. | Issuance date / Validity period | Major conditions imposed | Status of compliance |
|------------|----------------|--|----------------------------|--|---|---|-----------------------------|
| 26. | Bestari (S) | Registration to Import Processed Food Products and Food Appliances | Singapore Food Agency | IP18C0813 | Date of issue 1 April 2026 Validity period 1 April 2026 to 31 March 2027 | When any of the particulars of the company have been changed, the licensee shall inform the Singapore Food Agency within 14 days. | Noted |

Notes:

- (1) Our Group submitted an application to the local authority in January 2026 to update and rectify the current description in the business premise licence to reflect its actual business activities. As at the LPD, the said application is currently being processed by the local authority. Please refer to Section 7.23.1(vii) of this Prospectus for further details of this non-compliance.
- (2) As at the LPD, approximately 32.0% of the Synerchem Food Processing's full-time workforce are Malaysians and therefore Synerchem Food Processing has not fulfilled this condition of the licence. Pursuant to the press release dated 16 December 2024, MITI has announced the extension of time to comply with such requirement for the manufacturing sector until the full implementation of the multi-tier levy mechanism to be announced.

As at the LPD, save as disclosed above, our Group has obtained all necessary licences, permits and approvals necessary to conduct our operations in Malaysia and Singapore from the relevant regulatory authorities, and such licences, permits and approvals are valid and remain in effect.

For licences with remaining validity period of less than 12 months, our Board does not foresee any material issue in obtaining the renewal of these licences and approvals, as they have been consistently renewed within their prescribed validity periods in the past. In addition, our Group has implemented established procedures and internal controls to ensure that all licences, permits and certifications are monitored and renewed within the timelines prescribed by the relevant authorities. The licences and/or certifications set out above which are expiring within the next 12 months will be submitted for renewal prior to the respective expiry dates.

7. BUSINESS OVERVIEW (CONT'D)

7.22 MATERIAL PROPERTIES

As at the LPD, our Group does not own any properties. A summary of the material properties rented by our Group as at the LPD is as follows:

| No. | Landlord | Tenant(s) | Property address | Description / Existing use | Tenanted built-up area | Tenure of the tenancy | Rental per annum | Date of Issuance of CCC |
|-----|--|---|--|---|------------------------|---|------------------|-------------------------|
| 1. | Core Perpetual | Bestari Sales, Synerchem Engineering, Synerchem Food Processing, Synerchem Ingredients and Synerchem Services | Lot 29119, Jalan Rajawali, Batu 9, Kampung Kebun Baru, 42500 Telok Panglima Garang, Kuala Langat, Selangor | <p>Description: 1 unit of 2-storey production factory annexed with 3-storey office building and 1-storey warehouse</p> <p>Existing use: Food processing, trading of food ingredients and machineries and office</p> | 67,465 sq ft | 1 January 2025 to 31 December 2027 ⁽¹⁾ 1 July 2025 to 30 June 2028 ⁽²⁾ | RM3,180,000 | 11 June 2020 |
| 2. | Zeldawaty Binti Zulkifli and Mohamad Jamil Bin Jamaludin | Synerchem Food Processing | No. 12, Jalan Bangau 4/31, Taman Bentara, Jalan Kebun Batu 9, 42500 Telok Panglima Garang, Kuala Langat, Selangor | <p>Description: 1 unit of 2-storey terrace house</p> <p>Existing use: Workers' accommodation</p> | 1,260 sq ft | 1 July 2024 to 30 June 2026 ⁽³⁾ | RM18,000 | 21 May 2019 |
| 3. | LC Sales & Marketing Sdn Bhd | Synerchem Food Processing | No. 16, Jalan Rajawali 5, Batu 9, Kawasan Perusahaan Kebun Baru, 42500 Telok Panglima Garang, Kuala Langat, Selangor | <p>Description: 1 unit of 1 ½-storey link factory</p> <p>Existing use: Storage</p> | 3,168 sq ft | 16 November 2025 to 15 November 2026 | RM63,600 | 21 May 2020 |

7. BUSINESS OVERVIEW (CONT'D)

| No. | Landlord | Tenant(s) | Property address | Description / Existing use | Tenanted built-up area | Tenure of the tenancy | Rental per annum | Date of Issuance of CCC |
|------------|-----------------------------------|---------------------------|--|---|-------------------------------|-------------------------------------|-------------------------|---|
| 4. | Tan Eng Hun | Synerchem Food Processing | No. 28, Jalan Rajawali 5, Batu 9, Kawasan Perusahaan Kebun Baru, 42500 Telok Panglima Garang, Kuala Langat, Selangor | Description: 1 unit of 1 ½- storey link factory Existing use: Storage | 3,168 sq ft | 1 November 2025 to 31 October 2027 | RM60,000 | 21 May 2020 |
| 5. | Pest Control Islandwide Pte. Ltd. | Synerchem (S) | 19 Woodlands Industrial Park E1 #02-03 Singapore 757719 | Description: Ancillary Office, Industrial, Office at Business 2 (B2) Industrial, multi-storey Flatted Factory, Level 2-Unit 3 Existing use: Office | 990 sq ft | 1 December 2024 to 30 November 2026 | SGD29,400 | 5 September 1998 (Certificate of Statutory Completion Issuance Date) |

Notes:

- (1) In respect of the tenancies with Bestari Sales, Synerchem Engineering, Synerchem Food Processing and Synerchem Ingredients.
- (2) In respect of the tenancy with Synerchem Services, following its commencement of business activities in July 2025.
- (3) The tenancy agreement will be renewed for a further term commencing from 1 July 2026 to 30 June 2028, upon the expiry of its current term.

Our Group is in compliance with all the relevant laws, regulations, rules or requirements which may materially affect our operations and the use of the above properties.

7. BUSINESS OVERVIEW (CONT'D)

7.23 GOVERNING LAWS AND REGULATIONS

Our Group is subject to the following laws and regulations which are material to our business operations:

Malaysia

(i) Industrial Co-ordination Act 1975 (“ICA”)

The ICA provides for the co-ordination and orderly development of manufacturing activities in Malaysia. Under the ICA, any person engaging in any manufacturing activity with a shareholders' funds of RM2.5 million and above or employing 75 or more full-time paid employees is required to apply for a manufacturing licence. Failure to comply constitute an offence and, upon conviction, shall be liable to a fine not exceeding RM2,000 or to imprisonment for a term not exceeding 6 months, and to a further fine not exceeding RM1,000 for every day during which such default continues.

“Manufacturing activity” is defined under the ICA as the making, altering, blending, ornamenting, finishing or otherwise treating or adapting any article or substance with a view to its use, sale, transport, delivery or disposal and includes the assembly of parts and ship repairing but shall not include any activity normally associated with retail or wholesale trade.

As at the LPD, Synerchem Food Processing is engaged in the manufacturing of food products with its shareholders' funds exceeding RM2.5 million and employing more than 75 full-time paid employees. Accordingly, Synerchem Food Processing is required to obtain a manufacturing licence pursuant to the ICA.

As at the LPD, our Group holds a valid manufacturing licence for the manufacturing of flour mixes, seasoning mixes and instant powder at Bestari HQ, and is in compliance with the relevant provisions under the ICA. Further details of our manufacturing licence are set out in Section 7.21 of this Prospectus.

(ii) Food Act 1983 (“FA”), Food Regulations 1985 (“FR”) and Food Hygiene Regulations 2009 (“FHR”)

The FA is a legislation enacted to protect the public against health hazards and fraud in the preparation, sale and use of food, and for matters incidental thereto or connected therewith, while the FR regulates various aspects of food safety and quality, including food compositional standards, food additives, contaminants, labelling, advertisement and requirements relating to food not specifically standardised under the FR.

Section 14(1) of the FA provides that any person who sells any food which is not of the nature, substance nor quality (as specified in the FA and any regulation made thereunder) of the food demanded by the purchaser, commits an offence and is liable, on conviction, to imprisonment for a term not exceeding 5 years or to fine or both.

In addition, the FHR governs the hygiene, sanitation and safety requirements relating to food premises, food handlers and the handling, preparation, packaging, serving, storage and sale of food.

7. BUSINESS OVERVIEW (CONT'D)

Pursuant to Regulation 3(1) of the FHR, no person shall use any food premises specified in the First Schedule to the FHR for the purposes of, or in connection with the preparation, preservation, packaging, storage, conveyance, distribution or sale of any food or the relabelling, reprocessing or reconditioning of any food, unless such premises is registered under the FHR. The food premises specified in the First Schedule to the FHR include, but not limited to, all food premises involved in manufacturing of food. Any person who fails to comply with the registration requirement commits an offence and shall, on conviction, be liable to a fine not exceeding RM10,000 or to imprisonment for a term not exceeding 2 years.

As at the LPD, our Group holds valid certificates of registration of food premises issued by the Ministry of Health Malaysia for food premises involved in food manufacturing (i.e. Bestari HQ). In addition, our Group has procured the Industrial Responsibility Safe Food Certification Scheme (MeSTI) and the Hazard Analysis and Critical Control Points (HACCP) certificates in respect of Bestari HQ.

Save as disclosed in Section 7.23.1(vi) of this Prospectus, there is no non-compliance incident in relation to the FA, FR and FHR.

(iii) **Control of Supplies Act 1961 (“CSA”) and Control of Supplies Regulations 1974 (“CSR”)**

The CSA is an Act to provide for the control and rationing of supplies and the CSR is a regulation made pursuant to the CSA.

Section 7 of the CSA provides that the Controller of Supplies may, subject to the CSA or any regulations made thereunder and to such conditions as he may think fit, by written licence authorise any person to sell wholesale or retail any controlled article in any premises or at a place or places specified in the licence.

Pursuant to Regulation 3 of the CSR, no person shall deal by wholesale or retail in any scheduled article or manufacture any scheduled article except under and in accordance with a licence issued under Regulation 4 of the CSR. The scheduled articles include, among others, wheat flour, kerosene, sugar, fertiliser and cooking oil.

Any person who contravenes or fails to comply with, any provision of the CSR, or any direction given under the CSR, or the terms and conditions of any licence, written authority or permit granted, issued or renewed under the CSR, shall be guilty of an offence.

Section 22(1) of the CSA provides that any person, other than a body corporate, but including a director or officer of a body corporate, who commits an offence against the CSA or any regulations made thereunder shall, on conviction, be liable to a fine not exceeding RM1,000,000 or to imprisonment for a term not exceeding 3 years or to both, and for a second or subsequent offence, to a fine not exceeding RM3,000,000 or to imprisonment for a term not exceeding 5 years or to both. Section 22(2) of the CSA further provides that any body corporate which commits an offence against the CSA or any regulations made thereunder shall, on conviction, be liable to a fine not exceeding RM2,000,000 and, for a second or subsequent offence, to a fine not exceeding RM5,000,000.

As at the LPD, our Group possesses valid scheduled-controlled goods licences issued by the Ministry of Domestic Trade and Cost of Living and is in compliance with the relevant provisions under the CSA and CSR. Further details of our licences are set out in Section 7.21 of this Prospectus.

7. BUSINESS OVERVIEW (CONT'D)

(iv) Street, Drainage and Building Act 1974 (“SDBA”)

The SDBA is an Act relating to streets, drainage and buildings in local authority areas in Peninsular Malaysia. The Uniform Building By-Laws 1984 (“UBBL”) are by-laws made pursuant to the powers conferred under Section 133 of the SDBA.

Pursuant to Section 70(1) of the SDBA, no person shall erect any building without the prior written permission of the local authority. Section 70(13) of the SDBA states that any person who:

- (a) deviates from any plan or specification approved by the local authority without prior written permission of the local authority; or
- (b) erects a building in contravention of the SDBA or of any of the by-laws made thereunder,

shall, upon conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 3 years or both, and shall also be liable to a further fine of RM1,000 for every day during which the offence is continued after conviction.

In relation to building works and alterations, Section 70(11) of the SDBA provides that any person who makes any alteration to any building otherwise than is provided for under the SDBA or any by-laws made thereunder or without prior written permission of the local authority shall, upon conviction, be liable to a fine not exceeding RM25,000 and a Magistrate’s Court shall, on the application of the local authority, issue a mandatory order to alter the building in any way or to demolish it. In addition, Section 79(1) of the SDBA provides that no person shall erect or permit the erection of any partition, compartment, gallery, loft, roof, ceiling or other structure within a building without the prior written permission of the local authority. Any person who contravenes such provision shall, upon conviction, be liable to a fine not exceeding RM500 and a further fine not exceeding RM100 for every day during which the offence is continued after conviction.

As at the LPD and save as disclosed in Section 7.23.1(ii) of this Prospectus, all the properties rented and occupied by our Group are in compliance with the abovementioned provisions under the SDBA.

In addition, Section 70(27)(f) of the SDBA provides that any person who occupies or permits to be occupied any building or any part thereof without a valid certificate of fitness for occupation or CCC commits an offence and shall, upon conviction, be liable to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 10 years or to both.

As at the LPD, all the properties rented and occupied by our Group have been issued with valid CCCs.

(v) Local Government Act 1976 (“LGA”)

Under the LGA, a local authority is empowered to, among others, grant licences or permits for any trade, occupation or premise. Every licence or permit granted shall be subject to such conditions and restrictions as the local authority may think fit and shall be revocable by the local authority at any time without assigning any reason therefor. As our business is carried out in Kuala Langat, Selangor, our operations are governed under the jurisdiction of the Kuala Langat Municipal Council.

Pursuant to By-Law 3 of the Licensing of Trades, Businesses and Industries (Kuala Langat District Council) By-Laws 2007 (“Kuala Langat Licensing By-Laws”), no person shall operate any activity of trade, business and industry or use any place or premise in the local area of the Kuala Langat Municipal Council for any activity of trade, business and industry without a licence issued by the licensing authority.

7. BUSINESS OVERVIEW (CONT'D)

By-Law 47 of the Kuala Langat Licensing By-Laws provides that any person who contravenes any provisions of the Kuala Langat Licensing By-Laws commits an offence and shall, on conviction, be liable to a fine not exceeding RM2,000 or to imprisonment for a term not exceeding 1 year or to both, and in the case of a continuing offence, to a fine not exceeding RM200 for each day during which such offence is continued after conviction.

By-Law 7 of the Advertisement (Kuala Langat District Council) By-Laws 2007 ("**Kuala Langat Advertisement By-Laws**") prohibits exhibition of any advertisement without a licence issued by the licensing authority.

By-Law 37 of the Kuala Langat Advertisement By-Laws provides that any person who contravenes any of the provisions of the Kuala Langat Advertisement By-Laws shall be guilty of an offence and shall, upon conviction, be liable to a fine not exceeding RM2,000 or to imprisonment for a term not exceeding 1 year, or both such fine and imprisonment, and in the case of a continuing offence, to a fine not exceeding RM200 for each day during which such offence is continued after conviction.

As at the LPD and save as disclosed in Section 7.23.1(vii) of this Prospectus, our Group holds valid and subsisting business premise and advertisement licences issued by the Kuala Langat Municipal Council in respect of Bestari HQ. Further details of our licences are set out in Section 7.21 of this Prospectus.

(vi) **Trade Descriptions Act 2011 ("TDA") and Trade Descriptions (Certification and Marking of Halal) Order 2011 ("TDCMH Order")**

The TDA is an Act enacted for the purpose of promoting good trade practices by prohibiting false trade descriptions and false or misleading statements, conduct and practices in relation to the supply of goods and services, and by prohibiting, restricting or otherwise regulating or controlling the use of any statement, expression or indication which is likely to discriminate or boycott any product or goods or to discourage, forbid, hinder or influence any person from using or consuming any product or goods in the course of trade or business.

Section 5(1) of the TDA provides that any person who:

- (a) applies a false trade description to any goods;
- (b) supplies or offers to supply any goods to which a false trade description is applied; or
- (c) exposes for supply or has in his possession, custody or control for supply any goods to which a false trade description is applied,

commits an offence and shall, on conviction, be liable:

- (a) if such person is a body corporate, to a fine not exceeding RM250,000, and for a second or subsequent offence, to a fine not exceeding RM500,000;
- (b) if such person is not a body corporate, to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 3 years or to both, and for a second or subsequent offence, to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 5 years or to both.

Pursuant to Order 4(1) of the TDCMH Order, all food and goods shall not be described as halal or be described in other expression to indicate that the food or goods can be consumed or used by a Muslim unless it is certified as halal by the competent authority and marked with the logo as specified in the First Schedule of the TDCMH Order.

7. BUSINESS OVERVIEW (CONT'D)

Order 8 of the TDCMH Order provides that any person who supplies or offers to supply any food, goods or services in relation to the food or goods, in contravention of TDCMH Order, commits an offence and shall, on conviction, be liable:

- (a) if such person is a body corporate, to a fine not exceeding RM200,000, and for a second or subsequent offence, to a fine not exceeding RM500,000; or
- (b) if such person is not a body corporate, to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 3 years or to both, and for a second or subsequent offence, to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 5 years or to both.

As at the LPD, our Group is in compliance with the relevant provisions under the TDA and the regulations made thereunder and our Group has obtained halal certifications for our products which are described as halal. Further details of the halal certifications are set out in Section 7.21 of this Prospectus.

(vii) Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 ("EMSA") and Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralised Accommodation) Regulations 2020 ("EMSR")

The EMSA and the EMSR prescribe the minimum standards of housing for employees, requiring employers to provide health, hospital, medical and social amenities and matters incidental thereto to their employees. Part IIIA of the EMSA imposes the duty and responsibility on employers to, among others, ensure that:

- (a) no accommodation shall be provided to an employee unless certified with a certificate for accommodation. Pursuant to Section 24D(3) of the EMSA, an employer who fails to obtain a certificate for accommodation commits an offence and shall, on conviction, be liable to a fine not exceeding RM50,000;
- (b) the employer shall within 30 days from the date an accommodation is occupied by his employee, inform the Director General of Labour of such occupation. Pursuant to Section 24E(2) of the EMSA, any employer who fails to notify the Director General of Labour of such occupation commits an offence and shall, on conviction, be liable to a fine not exceeding RM10,000; and
- (c) every accommodation provided for employees complies with the minimum standards required under the EMSA or any regulations made thereunder.

Further, pursuant to Section 33 of the EMSA, any employer or centralised accommodation provider who contravenes any provision of the EMSA or any regulations made thereunder or who fails to carry out any order made by the Director General of Labour under the EMSA, shall be guilty of an offence under such provision, and if no penalty is expressly provided for the offence shall, on conviction, be liable to a fine not exceeding RM50,000 and to a further fine not exceeding RM1,000 a day for each day during which the offence continues.

As at the LPD, our Group has obtained the certificates for accommodation issued by the Department of Labour Peninsular Malaysia in respect of our workers' accommodations, which remain valid and subsisting.

Save as disclosed in Section 7.23.1(iv) of this Prospectus, there is no non-compliance incident in relation to EMSA and EMSR.

7. BUSINESS OVERVIEW (CONT'D)

(viii) Fire Services Act 1988 (“FSA”)

The FSA is an act to provide for the establishment, maintenance and management of fire brigades and fire services, and for the protection of life and property from fire, and for matters connected therewith. The FSA is administered and enforced by the Fire and Rescue Department of Malaysia.

Pursuant to Section 28 of the FSA, every designated premises shall require a fire certificate which shall be renewable annually. Premises with the use, size and location prescribe in the Schedule of the Fire Services (Designated Premises) Order 1998 (“**FSO**”) are “designated premises” for the purpose of issuance of a fire certificate under the FSA.

Section 33 of the FSA provides that where there is no fire certificate in force in respect of any designated premises, the owner of the premises shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 5 years or to both.

As Bestari HQ falls under the definition of ‘designated premises’ pursuant to the FSO, it is required to have a valid fire certificate under the FSA. As at the LPD, a fire certificate has been issued in respect of Bestari HQ, which remains valid and subsisting.

Save as disclosed at Section 7.23.1(iii) below, all the properties rented and occupied by our Group are in compliance with the FSA and the regulations made thereunder.

(ix) Employment Act 1955 (“EA”) and Immigration Act 1959/63

The EA governs the employment laws in Peninsular Malaysia and the Immigration Act 1959/63 regulates various aspects of immigration, including the entry of foreign workers into Malaysia. Section 60K(1) of the EA provides that no employer shall employ a foreign employee unless prior approval has been obtained from the Director General of Labour. Section 60K(5) of the EA provides that any employer who contravenes Section 60K(1) of the EA commits an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 5 years or both.

Section 55B(1) of the Immigration Act 1959/63 provides that any person who employs one or more persons, other than a citizen or a holder of an entry permit, who is not in possession of a valid pass shall be guilty of an offence and shall, on conviction be liable to a fine of not less than RM10,000 but not more than RM50,000 or to imprisonment for a term not exceeding 12 months, or to both, for each such employee. Section 55B(3) of the Immigration Act 1959/63 provides that where the person at the same time employed more than 5 such employees, that person shall, on conviction, be liable to imprisonment for a term of not less than 6 months but not more than 5 years and shall also be liable to whipping of not more than 6 strokes.

In addition, Regulation 39(b) of the Immigration Regulations 1963 provides that any person who, without reasonable cause, contravenes or fails to comply with any condition imposed in respect of, or instruction endorsed on, any pass or permit shall be guilty of an offence and shall, upon conviction, be liable to imprisonment for a term not exceeding 6 months or to a fine not exceeding RM1,000 or to both. Section 55B(2) of the IA further provides that a pass lawfully issued to any person shall cease to be valid upon any contravention of its terms and conditions.

As at the LPD, all our foreign workers possess valid passports and work permits, and our Group complies with the relevant provisions under the EA and Immigration Act 1959/63. Save as disclosed in Section 7.23.1(v) below, there have been no past non-compliances by our Group under the EA, Immigration Act 1959/63 and the relevant regulations made thereunder.

7. BUSINESS OVERVIEW (CONT'D)

Singapore**(i) Sale of Food Act 1973 ("SFA"), Food Regulations and Food Safety and Security Act 2025 ("FSSA")**

Pursuant to the SFA, it is an offence to sell food that is packaged, labelled or advertised in a manner that is false, misleading, deceptive or non-compliant with the applicable labelling requirement. Any person who contravenes the SFA shall be guilty of an offence and shall be liable on conviction to a fine not exceeding SGD5,000 and, in the case of a second or subsequent conviction, to a fine not exceeding SGD10,000 or to imprisonment for a term not exceeding 3 months or to both.

The Food Regulations prohibit the import, advertisement, manufacture, sale, consignment or delivery of any prepacked food unless the package bears a label setting out all prescribed particulars in a prominent, conspicuous and clearly legible manner, and prohibit false, misleading or deceptive statements, words, brands, pictures or marks on food labels. Any person who contravenes the Food Regulations shall be guilty of an offence and shall be liable on conviction to a fine not exceeding SGD1,000 and, in the case of a second or subsequent conviction, to a fine not exceeding SGD2,000.

The FSSA, which received assent on 3 February 2025, is being implemented in phases. As at the LPD, certain provisions of the FSSA have come into force, while the remaining provisions have yet to come into force. Upon its full implementation, it will repeal and replace the SFA. Accordingly, commencement of remaining provisions may impose additional compliance obligations on food importers or distributors.

As at the LPD, Synerchem (S) and Bestari (S) each hold a licence to import processed food products and food appliances, and have complied with the SFA, Food Regulations and FSSA.

(ii) Regulation of Imports and Exports Regulations

The Regulation of Imports and Exports Regulations requires permits to be granted for the import, export or transshipment of certain goods. Pursuant to Regulation 35B of the Regulation of Imports and Exports Regulations, unless the Director-General of Customs allows in any particular case, no declaration may be made unless the declaring entity, the declaring agent and the declarant is registered by the Director-General of Customs prior to the making of the declaration.

Except where otherwise provided, any person who is guilty of an offence under the Regulation of Imports and Exports Regulations shall be liable:

- (a) on the first conviction to a fine not exceeding SGD100,000 or 3 times the value of the goods in respect of which the offence was committed, whichever is the greater, or to imprisonment for a term not exceeding 2 years or to both; and
- (b) on the second or subsequent conviction to a fine not exceeding SGD200,000 or 4 times the value of the goods in respect of which the offence was committed, whichever is the greater, or to imprisonment for a term not exceeding 3 years or to both.

As at the LPD, Synerchem (S) and Bestari (S) each has been registered with the Director-General of Customs as a declaring entity.

7. BUSINESS OVERVIEW (CONT'D)

7.23.1 Non-compliances

Save for the non-compliances as disclosed below, our Group is in compliance with the relevant laws, regulations, rules or requirements governing the conduct of our business and environmental issues which may materially affect our business or operations:

(i) Audits or inspections by regulatory authorities

In March 2025, the Royal Malaysian Customs Department conducted a sales tax audit on Synerchem Food Processing and identified an under-declaration of sales tax for the year of assessment 2023. The under-declaration arose primarily due to the differences in the computation methodology applied by our Group and the Royal Malaysian Customs Department in determining the taxable value of goods.

The Royal Malaysian Customs Department took the view that marketing expenses incurred by Bestari Sales, a related company of Synerchem Food Processing, amounting to approximately RM1.0 million should be taken into consideration in determining the taxable value of goods supplied by Synerchem Food Processing, and would have resulted in a higher taxable value compared to that declared by our Group.

As a result, Synerchem Food Processing was imposed with additional tax of RM48,062.89 with a corresponding penalty of RM19,225.16. These amounts represented approximately 0.2% of our Group's combined PAT for the FYE 2025 and did not have a material impact on our Group's business operations and financial condition.

As at the LPD, the additional tax has been fully settled in October 2025, while the remission of penalty was allowed by the Royal Malaysian Customs Department following the submission of a penalty remission form.

In order to mitigate the risk of future tax non-compliance, our Group has implemented the following remedial measures:

- (a) strengthening our internal controls and procedures relating to sales tax reporting and compliance;
- (b) enhancing oversight and review processes over tax computations and filings, including periodic reconciliation of taxable transactions; and
- (c) engaging external tax consultants to review and advise on our Group's indirect tax compliance framework.

Our Board is of the view that the additional tax imposed is not expected to have a material adverse impact on our Group's business operations and financial condition as it was not material and represented approximately 0.2% of our Group's combined PAT for the FYE 2025. Further, our Group has implemented the above remedial measures to strengthen our Group's internal controls over tax compliance.

7. BUSINESS OVERVIEW (CONT'D)

(ii) Our landlord carried out modification works at Bestari HQ without obtaining building plan approval as required under the SDBA

The construction of Bestari HQ by Core Perpetual, being our landlord, was completed and the CCC was issued in June 2020. Subsequently, our landlord undertook certain modifications to the building from time to time to support our Group's operational requirements and logistical efficiency.

Such modifications included:

- (a) the construction of a mezzanine floor within the engineering section as well as an additional floor above the control room in Bestari HQ to optimise space utilisation;
- (b) a roof extension at the rear of the building to provide sheltered space for the loading and unloading of goods; and
- (c) an additional entrance gate to improve truck traffic flow.

The modification works were carried out prior to obtaining the requisite building plan approval from the local authority as required under the SDBA. Please refer to Section 7.23(iv) of this Prospectus for details of the applicable regulatory requirements and potential penalties arising from any non-compliance.

Upon becoming aware of the regulatory requirements, our landlord has:

- (a) removed the mezzanine floor within the engineering section and the affected structures relating to the additional floor above the control room in Bestari HQ in April 2026, as well as the additional entrance gate in May 2026, with all rectification costs borne by our landlord; and
- (b) submitted an application to the local authority to obtain a temporary permit for the roof extension in April 2026.

Our Board is of the view that the above is not expected to have a material adverse impact on our Group's business operations and financial condition, taking into consideration that:

- (a) our landlord has either rectified or taken steps to rectify the non-compliances arising from the modification works, and all rectification costs were fully borne by our landlord. In the event that the application to obtain a temporary permit for the roof extension is not approved by the local authority, such structures will be removed to ensure compliance with the approved building plan;
- (b) no fines or penalties have been imposed on either our Group or our landlord by the relevant authorities in respect of the non-compliance arising from the modification works. As the modification works were carried out by our landlord, any enforcement action would be directed to our landlord as the party responsible for the alterations, and not our Group as tenant. Should any fines or penalties be imposed on our Group by virtue of our tenancy at Bestari HQ, the potential maximum fine of RM200,000 under the SDBA is not material, representing approximately 0.6% of our Group's combined PAT for the FYE 2025; and

7. BUSINESS OVERVIEW (CONT'D)

- (c) our Group has since strengthened our internal control processes by requiring our landlord to obtain the requisite building plan approvals from the local authority prior to the commencement of future construction and renovation works at our rented premises. Our Group has also enhanced our regulatory compliance framework by formalising approval protocols for such works, including mandatory review by qualified consultants, ensuring all necessary approvals are obtained prior to commencement, and improving coordination between our operational and administrative functions to monitor ongoing compliance with applicable building requirements.

(iii) Our Group occupied Bestari HQ prior to our landlord obtaining fire certificate for the premises as required under the Fire Services Act 1988

Our Group commenced operations at Bestari HQ in 2021 prior to our landlord obtaining the requisite fire certificate. This was attributable to our landlord's oversight in complying with the requirements under the Fire Services Act 1988, and was subsequently identified during the due diligence process undertaken for our Listing. Thereafter, our landlord took the necessary steps to regularise the matter and obtained the fire certificate in December 2025. Please refer to Section 7.23(viii) of this Prospectus for details of the applicable regulatory requirements and potential penalties arising from any non-compliance.

Our Board is of the view that the above is not expected to have a material adverse impact on our Group's business operations and financial condition, taking into consideration that:

- (a) the non-compliance has been rectified as the fire certificate was issued in December 2025 and neither our landlord nor our Group as a tenant has been imposed with fines or penalties by the relevant authorities;
- (b) no rectification costs were incurred by our Group as such costs were fully borne by our landlord;
- (c) the obligation to obtain the fire certificate rests with the property owner under the Fire Services Act 1988 and not our Group as the tenant. In the unlikely event that the maximum penalty of RM50,000 under the Fire Services Act 1988 is imposed on our Group, such amount is immaterial as it represented approximately 0.2% of our Group's combined PAT for the FYE 2025. Further, our Group has the right to claim for the recovery of such penalty from the property owner; and
- (d) our Group has since implemented enhanced internal compliance framework by formalising pre-commencement checks to ensure that all required licences, permits and certifications are obtained prior to occupancy, as well as internal compliance checks and engagement of qualified consultants to ensure ongoing regulatory compliance.

(iv) Our Group provided accommodation to our foreign workers at rented premises without obtaining CFA as required under the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990

Our Group had previously provided accommodation to our foreign workers at 7 rented premises which did not have valid CFAs. Upon becoming aware of the applicable requirements under the relevant laws and regulations in relation to CFAs, our Group took immediate steps to rectify the non-compliance by ceasing the use of the said premises as accommodation to our foreign workers and relocating all our foreign workers to premises with valid CFAs. As at the LPD, all accommodations provided to our Group's foreign workers have valid CFAs. Please refer to Section 7.23(vii) of this Prospectus for details of the applicable regulatory requirements and potential penalties arising from any non-compliance.

7. BUSINESS OVERVIEW (CONT'D)

Our Board is of the view that the above is not expected to have a material adverse impact on our Group's business operations and financial condition, taking into consideration that:

- (a) our Group has rectified the non-compliance after relocating all foreign workers to accommodation with valid CFAs. The costs incurred by our Group in relocating the foreign workers amounted to approximately RM15,000, which were not material and represented less than 0.1% of our Group's combined PAT for the FYE 2025;
 - (b) there were no fines or penalties imposed on our Group by the relevant authorities. In any event, the potential maximum fine of RM350,000 under the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 for 7 premises in total is also not material and represents approximately 1.1% of our Group's combined PAT for the FYE 2025; and
 - (c) our Group has since implemented enhanced internal procedures to ensure compliance with applicable regulatory requirements, including conducting periodic compliance checks and ensuring that all workers accommodations meet the relevant regulatory requirements prior to occupancy.
- (v) **Our Group's foreign workers were assigned to work at locations not specified in their work permits, in contravention of the Immigration Act 1959/63 and Immigration Regulations 1963**

Deployment of foreign workers at the premises of related entities

During the Financial Years Under Review, 32 out of our Group's 71 foreign workers were deployed at the premises of related entities, namely Ken Kee Manufacturing and Nomms, which were different from the work locations specified in their respective work permits.

Upon identification of this non-compliance during the due diligence process undertaken for our Listing, our Group immediately ceased such arrangement and took steps to regularise the matter. As at the LPD, all 71 foreign workers of our Group are stationed at Bestari HQ and no rectification costs were incurred by our Group in the relocation process.

Discrepancy in work location stated in foreign workers' work permits

As at the LPD, the work location stated in the work permits of all our foreign workers reflects our Group's previous business address prior to our relocation to Bestari HQ in 2021. This arose due to an administrative oversight during the transition of our operations to Bestari HQ, resulting in a non-compliance with the conditions of the said work permits.

In April 2026, our Group has taken the following steps to update the work permits of our foreign workers to reflect Bestari HQ as the registered location of employment:

- (a) applications were submitted to the Immigration Department of Malaysia to update our Group's registered business address to Bestari HQ, the approval which is expected to be obtained by the 3rd quarter of 2026. For work permits that are due for renewal in the 3rd quarter of 2026, the renewed permits will reflect the updated address; and
- (b) for foreign workers whose permits have a remaining validity period of 6 months or more, separate applications have also been submitted to the Immigration Department of Malaysia to update the work location in their existing permits, the approval of which is expected to be obtained by the 4th quarter of 2026.

Please refer to Section 7.23(ix) of this Prospectus for details of the applicable regulatory requirements and potential penalties arising from any non-compliance.

7. BUSINESS OVERVIEW (CONT'D)

The total estimated cost to rectify the above non-compliance is RM21,600, based on RM300 per foreign worker. Our Board is of the view that the above is not expected to have a material adverse impact on our Group's business operations and financial condition, taking into consideration that:

- (a) our Group has completed the relocation of the affected foreign workers previously deployed at the premises of related entities, and is in the process of updating their work permits to reflect Bestari HQ as their place of employment.

All 71 foreign workers are currently stationed at, and carrying out their duties from, Bestari HQ, being their intended workplace. The non-compliance arises solely from an administrative oversight following our Group's relocation, where the work permit addresses have yet to be updated. The estimated rectification costs of approximately RM21,600 is not material, representing less than 0.1% of our Group's combined PAT for the FYE 2025;

- (b) no fines or penalties have been imposed by the relevant authorities as at the LPD. In any event, while the potential maximum fine under the Immigration Act 1959/63 could amount to RM3.6 million or RM50,000 per worker, representing approximately 11.6% of our Group's combined PAT for the FYE 2025, the likelihood of such penalties being imposed on our Group is remote as the non-compliance was administrative in nature arising from our Group's relocation, with no intention to circumvent applicable regulatory requirements; and

- (c) our Group has since implemented enhanced internal procedures to ensure compliance with applicable immigration requirements, including enhanced human resources monitoring of foreign worker deployment and strict adherence to approved work permit locations.

(vi) Our Group did not comply with the Food Regulations 1985 in relation to the maximum limit of iodine content

Pursuant to Regulation 285(1A) of the Food Regulations 1985, iodised table salt or iodised salt shall contain potassium iodide or iodate, or sodium iodide or iodate, equivalent to not less than 20 milligrams per kg and not more than 40 milligrams per kg of iodine.

In addition, pursuant to Regulation 397 of the Food Regulations 1985, any person who contravenes or fails to comply with any provision of the Food Regulations 1985 commits an offence and shall, upon conviction, be liable to a fine not exceeding RM10,000 or imprisonment for a term not exceeding 2 years.

In July 2022, the Johor State Health Department conducted an inspection at a retailer in Bandar Penawar, Johor, during which iodine testing on our Group's products was carried out on a sampling basis. Following the inspection, Synerchem Food Processing was charged and found guilty in January 2023 by the Kota Tinggi Magistrate Court for the non-compliance with Regulation 285(1A) of the Food Regulations 1985 and was fined RM4,000, which was paid in full on the same day.

The non-compliance involved one of our Group's packaged iodised salt products, which was found to contain an iodine level of 48 milligrams per kg, exceeding the prescribed limit of 40 milligrams per kg.

The non-compliance, which was limited to a specific production batch, was due to insufficient monitoring and delayed recalibration of iodisation equipment during the production process, as well as lapses in quality control.

7. BUSINESS OVERVIEW (CONT'D)

Our Group has since implemented corrective actions to address this issue, including monthly recalibration of our production equipment and strengthening our quality control procedures by implementing additional checks to verify that the iodine levels complied with the prescribed limit before the products are packaged. There were no rectification costs incurred by our Group.

Our Board is of the view that the above is not expected to have a material adverse impact on our Group's business operations and financial condition, taking into consideration that:

- (a) the RM4,000 fine is not material, representing less than 0.1% of our Group's combined PAT for the FYE 2025;
- (b) the non-compliance was isolated to a specific production batch, with no recurrence identified in subsequent batches; and
- (c) our Group has since strengthened our quality control processes through regular equipment calibration and enhanced monitoring of the iodisation process.

(vii) Our Group's current business activities are not accurately reflected in some of our business premise licences, in contravention of the Kuala Langat Licensing By-Laws

As at the LPD, the descriptions of the business activities in the business premise licences of Synerchem Engineering and Synerchem Food Processing did not accurately reflect their current operations due to administrative oversight. Synerchem Engineering and Synerchem Food Processing have submitted applications to the local authority to update the descriptions of the business activities in their respective business premise licences in November 2025 and January 2026 respectively.

Please refer to Section 7.23(v) of this Prospectus for details of the applicable regulatory requirements and potential penalties arising from any non-compliance.

While we have received approval on the application submitted by Synerchem Food Processing in June 2026, as at the LPD, the application submitted by Synerchem Engineering remains under review and is currently being processed.

Our Board is of the view that the above is not expected to have a material adverse impact on our Group's business operations and financial condition, taking into consideration that:

- (i) our Group has taken steps to rectify the non-compliances and the rectification costs of approximately RM2,000 is not material, representing less than 0.1% of our Group's combined PAT for the FYE 2025;
- (ii) no fines or penalties have been imposed on our Group by the local authority as at the LPD. Should any fines or penalties be imposed on our Group, the potential maximum fine of RM4,000 under the Kuala Langat Licensing By-Laws is also not material and represents less than 0.1% of our Group's combined PAT for the FYE 2025; and
- (iii) our Group has since implemented enhanced internal procedures to ensure compliance with applicable regulatory requirements, including conducting periodic compliance checks and ensuring that all business premise licences accurately reflect the actual business activities carried out at the respective premises.

7. BUSINESS OVERVIEW (CONT'D)

7.24 ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRACTICES

We adopt a responsible approach to our business operations, taking into consideration food safety, environmental impact, employee welfare and governance practices. Our Sustainability Policy outlines our approach to integrating environmental, social, governance and climate-related considerations into our business conduct, decision-making processes and operational activities. The policy is developed with reference to the Sustainability Reporting Framework issued by Bursa Securities, International Financial Reporting Standards S1 and S2, as well as other applicable regulatory requirements and recognised standards.

(i) Environmental

Our environmental management approach focuses on managing resource consumption, improving operational efficiency and ensuring compliance with applicable environmental requirements across our operations. We are exposed to environmental-related risks, including energy cost and supply risk, water availability risk, as well as waste management and regulatory compliance risk, which may affect our operating costs and operational efficiency. The measures we have implemented or plan to implement include the following:

- (a) we incorporate environmental considerations into our operational practices, including monitoring energy consumption across our facilities and implementing preventive maintenance and operational controls to enhance equipment efficiency and reduce unnecessary energy usage;
- (b) we monitor water usage as part of our operational controls. We have installed a rooftop rainwater harvesting system at our warehouse in Bestari HQ to support non-critical water usage, and will continue to assess the feasibility of extending similar systems to other facilities where appropriate;
- (c) we manage waste arising from our food production and processing activities in accordance with applicable regulatory requirements, including the engagement of licensed company for the collection and disposal of scheduled waste;
- (d) we progressively adopt energy-efficient equipment and vehicles, such as hybrid vehicles and electric forklifts, based on operational requirements and cost considerations;
- (e) we are evaluating the feasibility of installing solar photovoltaic systems at Bestari HQ, subject to feasibility assessments, capital expenditure approvals and operational considerations. There can be no assurance that such systems will be implemented within a specific timeframe;
- (f) we implement preventive maintenance practices and digitalisation initiatives to enhance operational efficiency and reduce reliance on physical documentation; and
- (g) we utilise digital tools and automated systems to support operational efficiency, including inventory management and administrative processes.

(ii) Social

We place emphasis on workforce management, workplace safety, product quality and employee development across our operations. Our activities expose us to social-related risks, including workplace safety risks, product quality and food safety risks, as well as workforce management risks, which may affect operational continuity, regulatory compliance and our reputation.

7. BUSINESS OVERVIEW (CONT'D)

We implement health and safety policies and procedures in compliance with applicable regulatory requirements, supported by safety measures, training and monitoring to mitigate workplace safety risks. Product quality and food safety are managed through established quality assurance and control practices, including mandatory food safety training for food handlers in accordance with applicable standards.

We also maintain policies governing working conditions in accordance with applicable labour laws and regulatory requirements. Our Code of Conduct and Ethics sets out expected standards of behaviour and promotes professionalism, integrity and accountability across our workforce. In addition, we adopt non-discriminatory employment practices guided by our Diversity and Inclusion Policy, supporting equal opportunity in employment irrespective of age, gender, religion, race or nationality.

We undertake training and development initiatives to enhance employee competency and support role-specific skills development. Structured performance evaluations are conducted to assess employee performance and support workforce management. We also plan to implement cybersecurity awareness initiatives, including periodic training, to enhance understanding of information security risks and data protection practices.

Lastly, we undertake community support initiatives, including contributions to charitable organisations where appropriate, as part of our engagement with the communities in which we operate.

(iii) Governance

Governance practices and controls have been established to support regulatory compliance, risk management and effective oversight of our operations. The overall framework is designed to address operational, financial and compliance risks, including those relating to sustainability matters, where applicable.

Structured risk management processes are in place, including periodic risk assessments, internal controls and contingency planning, to support the identification, assessment and mitigation of risks. Corporate governance practices are supported by policies and procedures aligned with applicable guidelines, including the Malaysian Code on Corporate Governance. A Sustainability Policy and governance structure have also been established to facilitate oversight of sustainability-related matters at our Group.

A range of policies and frameworks guide ethical conduct and integrity across our Group's operations. These include anti-bribery and anti-corruption policies as well as a Code of Conduct and Ethics, which sets out expected standards of behaviour in areas such as conflicts of interest, confidentiality and integrity. A whistleblowing policy is also in place to facilitate the reporting of concerns and to support appropriate follow-up actions.

Data protection and confidentiality are addressed through a personal data protection policy, with controls implemented to support compliance with applicable data protection laws. In addition, controls are in place to promote fairness and transparency in procurement, supplier engagement and operational activities. Communication channels are maintained with stakeholders, including customers, regulators, employees, suppliers and the community, to support transparency and responsiveness.

We intend to progressively enhance our sustainability practices in line with evolving regulatory requirements and business needs, with a focus on strengthening data collection, monitoring and reporting processes. These ongoing efforts are expected to support greater transparency and more structured sustainability disclosures in future reporting periods. Going forward, our sustainability practices will be disclosed in our annual report, prepared in accordance with the Sustainability Reporting Framework issued by Bursa Securities.