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CUSTOM FOOD HOLDING BERHAD

(Registration No. 202501015766 (1617181-P))
(Incorporated in Malaysia under the Companies Act 2016)

INITIAL PUBLIC OFFERING (“IPO”) OF UP TO 300,123,000 ORDINARY SHARES IN CUSTOM FOOD HOLDING BERHAD (“COMPANY”) (“SHARES”) (“IPO SHARES”) IN CONJUNCTION WITH THE LISTING OF AND QUOTATION FOR THE ENTIRE ENLARGED TOTAL NUMBER OF 1,020,823,025 SHARES ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”) COMPRISING A PUBLIC ISSUE OF 113,311,600 NEW SHARES (“ISSUE SHARES”) AND AN OFFER FOR SALE OF UP TO 186,811,400 EXISTING SHARES INVOLVING:

- (I) INSTITUTIONAL OFFERING OF UP TO 269,498,100 IPO SHARES TO INSTITUTIONAL AND SELECTED INVESTORS, INCLUDING BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INVESTMENT, TRADE AND INDUSTRY AT THE INSTITUTIONAL PRICE TO BE DETERMINED BY WAY OF BOOKBUILDING (“INSTITUTIONAL PRICE”); AND**
- (II) RETAIL OFFERING OF 30,624,900 ISSUE SHARES MADE AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC, THE ELIGIBLE DIRECTORS AND EMPLOYEES OF THE COMPANY AND ITS SUBSIDIARIES (“GROUP”), AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF THE GROUP AT THE RETAIL PRICE OF RM[●] PER ISSUE SHARE (“RETAIL PRICE”), PAYABLE IN FULL UPON APPLICATION AND SUBJECT TO REFUND OF THE DIFFERENCE BETWEEN THE RETAIL PRICE AND THE FINAL RETAIL PRICE (AS DEFINED IN THIS PROSPECTUS) IN THE EVENT THAT THE FINAL RETAIL PRICE IS LESS THAN THE RETAIL PRICE,**

SUBJECT TO THE CLAWBACK AND REALLOCATION PROVISIONS, AND THE OVER-ALLOTMENT OPTION (AS DEFINED IN THIS PROSPECTUS) AS SET OUT IN THIS PROSPECTUS. THE FINAL RETAIL PRICE WILL BE EQUAL TO THE LOWER OF:

- (A) THE RETAIL PRICE; OR**
- (B) THE INSTITUTIONAL PRICE.**

Sole Principal Adviser, Bookrunner and Underwriter



RHB INVESTMENT BANK BERHAD
(Registration No. 197401002639 (19663-P))
(A Participating Organisation of Bursa Securities)

NO SECURITIES WILL BE ALLOTTED OR ISSUED BASED ON THIS PROSPECTUS AFTER SIX MONTHS FROM THE DATE OF THIS PROSPECTUS.

[THE SECURITIES COMMISSION MALAYSIA (“SC”) HAS APPROVED THE ISSUE, OFFER OR INVITATION FOR OUR IPO] AND THIS PROSPECTUS [HAS BEEN REGISTERED] BY THE SC. THE SAID APPROVAL AND REGISTRATION OF THIS PROSPECTUS, SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS OUR IPO OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS. THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF OUR SHARES BEING OFFERED FOR INVESTMENT.]

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF OUR COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE “RISK FACTORS” COMMENCING ON PAGE 180.

THIS PROSPECTUS IS NOT TO BE DISTRIBUTED OUTSIDE MALAYSIA

THIS PROSPECTUS IS DATED [●]

All defined terms used in this Prospectus are defined under “Definitions” commencing on page xii and “Glossary of Technical Terms” commencing on page xxi.

RESPONSIBILITY STATEMENTS

Our Directors, Promoters and Selling Shareholders have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

RHB Investment Bank, being our Sole Principal Adviser, Bookrunner and Underwriter, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

STATEMENTS OF DISCLAIMER

[Our Company has obtained the approval of Bursa Securities for the listing of and quotation for our Shares. Our admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares.]

[This Prospectus, together with the Application Forms, have also been lodged with the Registrar of Companies, who takes no responsibility for its contents.]

You should rely on your own evaluation to assess the merits and risks of your investment in our Shares. If you are in doubt as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

OTHER STATEMENTS

You should note that you may seek recourse under Sections 248, 249 and 357 of the CMSA for breaches of securities laws including any statement in this Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Prospectus or the conduct of any other person in relation to our Company.

Our Shares are offered to the public on the premise of full and accurate disclosure of all material information concerning our IPO, for which any person set out in Section 236 of the CMSA, is responsible.

This Prospectus is prepared and published solely for our IPO. Our Shares are being offered solely on the basis of the information contained and representations made in this Prospectus. Our Company, Directors, Promoters, Selling Shareholders, Sole Principal Adviser, Bookrunner and Underwriter have not authorised anyone to provide any information or to make any representation not contained in this Prospectus. Any information or representation not contained in this Prospectus must not be relied upon as having been authorised by our Company, Directors, Promoters, Selling Shareholders, Sole Principal Adviser, Bookrunner, Underwriter or any of their respective directors, or any other persons involved in our IPO.

This Prospectus has been prepared and published in the context of an IPO under the laws of Malaysia. It does not comply with the laws of any jurisdiction other than Malaysia and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or with or by any regulatory authority or other relevant body of any jurisdiction other than Malaysia.

Accordingly, this Prospectus may not be used for the purpose of, and does not constitute an offer for, subscription or purchase or invitation to subscribe for or purchase, any of our Shares being offered in our IPO in any jurisdiction or in any circumstances in which such an offer is not authorised or lawful, or to any person to whom it is unlawful to make such offer or invitation. The distribution of this Prospectus and the sale of our Shares offered under our IPO in certain jurisdictions may be restricted by law. Prospective investors who may be in possession of this Prospectus are required to inform themselves and to observe such restrictions.

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not accept or be deemed to accept any liability in relation thereto whether or not any enquiry or investigation is made in connection with it.

It is your sole responsibility to ensure that your application for our IPO would be in compliance with the terms of our IPO as stated in this Prospectus and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subjected. We will further assume that you had accepted our IPO in Malaysia and will be subjected only to the laws of Malaysia in connection with it. However, we reserve the right in our absolute discretion to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

It shall be your sole responsibility to consult your legal and/or other professional advisers on the laws to which our IPO or you are or might be subjected. We, our Sole Principal Adviser, Bookrunner and Underwriter, and any other advisers in relation to our IPO shall not accept any responsibility or liability if any application made by you shall become illegal, unenforceable, avoidable or void in any country or jurisdiction.

ELECTRONIC PROSPECTUS

This Prospectus can also be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com. The contents of the Electronic Prospectus and the copy of this Prospectus registered with the SC are the same.

You are advised that the internet is not a fully secured medium. Your Internet Share Application may be subject to risks in data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions or Participating Securities Firms. These risks cannot be borne by the Internet Participating Financial Institutions or Participating Securities Firms.

If you are in doubt about the validity or integrity of the Electronic Prospectus, you should immediately request from us or our Issuing House a paper / printed copy of this Prospectus. If there is any discrepancy between the contents of the Electronic Prospectus and the paper / printed copy of this Prospectus for any reason whatsoever, the contents of the paper / printed copy of this Prospectus, which are identical to the copy of the Prospectus registered with the SC, shall prevail.

In relation to any reference in this Prospectus to third party internet sites ("**Third Party Internet Sites**") whether by way of hyperlinks or by way of description of the Third-Party Internet Sites, you acknowledge and agree that:

- (i) we and our Sole Principal Adviser do not endorse and are not affiliated in any way with the Third-Party Internet Sites. Accordingly, we and our Sole Principal Adviser are not responsible for the availability of, or the contents or any data, file, information or other materials provided on the Third-Party Internet Sites. You shall bear all risks associated with the access to or use of the Third-Party Internet Sites;

- (ii) we and our Sole Principal Adviser are not responsible for the quality of products or services in the Third-Party Internet Sites, particularly in fulfilling any of the terms of any of your agreements with the Third-Party Internet Sites. We and our Sole Principal Adviser are also not responsible for any loss or damage or cost that you may suffer or incur in connection with or as a result of dealing with the Third-Party Internet Sites or the use of or reliance on any data, files, information or other materials provided by such parties; and
- (iii) any data, file, information or other material downloaded from the Third-Party Internet Sites is done at your own discretion and risk. We and our Sole Principal Adviser are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, file, information or other material.

Where an Electronic Prospectus is hosted on the website of the Internet Participating Financial Institutions or Participating Securities Firms, you are advised that:

- (i) the Internet Participating Financial Institutions or Participating Securities Firms are liable for the integrity of the contents of an Electronic Prospectus to the extent of the contents of the Electronic Prospectus situated on the web server of the Internet Participating Financial Institutions or Participating Securities Firms which may be viewed via your web browser or other relevant software. The Internet Participating Financial Institutions or Participating Securities Firms shall not be responsible in any way for the integrity of the contents of the Electronic Prospectus, which has been obtained from the web server of the Internet Participating Financial Institutions or Participating Securities Firms and subsequently communicated or disseminated in any manner to you or other parties;
- (ii) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in the Electronic Prospectus, the accuracy and reliability of the Electronic Prospectus cannot be guaranteed because the internet is not a fully secured medium; and
- (iii) the Internet Participating Financial Institutions or Participating Securities Firms are not liable (whether in tort or contract or otherwise) for any loss, damage or cost that you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in the Electronic Prospectus which may arise in connection with or as a result of any fault with web browsers or other relevant software, any fault on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institutions or Participating Securities Firms, and/or problems occurring during data transmission which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

INDICATIVE TIMETABLE

An indicative timetable of our IPO is set out below:

Event	Dates
Opening of the Institutional Offering	[•]
Issuance of this Prospectus / Opening of the Retail Offering	10.00 a.m., [•]
Closing of the Retail Offering	5.00 p.m., [•]
Closing of the Institutional Offering	[•]
Price Determination Date	[•]
Balloting of the applications for our Issue Shares under the Retail Offering	[•]
Allotment / transfer of our IPO Shares to successful applicants	[•]
Listing	[•]

If there are any changes to this timetable, we will advertise a notice of changes in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia and make an announcement on Bursa Securities' website.

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PRESENTATION OF INFORMATION

All references to “our Company” or “CFH” in this Prospectus are to Custom Food Holding Berhad. All references to “our Group” or “CFH Group” in this Prospectus are to our Company and our subsidiaries, taken as a whole. All references to “we”, “us”, “our” or “ourselves” are to our Company, and where the context otherwise requires, our Group. All references to “you” are to our prospective investors.

Unless the context otherwise requires, references to “management” in this Prospectus are to our Directors and Key Senior Management as at the date of this Prospectus. Statements as to our beliefs, expectations, estimates and opinions are those of our Directors and Key Senior Management.

All references to the “Selling Shareholders” are to Oriental Concept Sdn Bhd and Sabroso Group Sdn Bhd.

In this Prospectus, all references to the “Government” are to the Government of Malaysia and references to “RM” and “sen” are to the lawful currency of Malaysia.

The word “approximately” used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest thousands or two decimal places. Any discrepancies in the tables between amounts listed and the total amount in this Prospectus are due to rounding adjustments. Other abbreviations and acronyms used in this Prospectus are defined in the “Definitions” section and technical terms used in this Prospectus are defined in the “Glossary of Technical Terms” section.

Words denoting the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include natural persons, firms, companies, bodies corporate and corporations.

Any reference in this Prospectus to any provisions of the statutes, rules, regulations, enactments, guidelines or rules of stock exchange shall (where the context admits), be construed as reference to provisions of such statutes, rules, regulations, enactments, guidelines or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactment to the statutes, rules, regulations, enactments, guidelines or rules of stock exchange for the time being in force.

Any reference to a date and time in this Prospectus shall be a reference to Malaysian time, unless otherwise stated. Any reference to the “LPD” in this Prospectus is to 15 August 2025, being the latest practicable date before the registration of this Prospectus with the SC.

This Prospectus includes statistical data provided by us and various third parties and cites third-party projections regarding growth and performance of the industry in which we operate and our estimated market share in the industry in which we operate. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus. Where no source is stated, it can be assumed that the information originated from us or is extracted from the IMR Report provided in Section 8 of this Prospectus. We have appointed Vital Factor Consulting Sdn Bhd to provide an independent assessment of the specialty food ingredient and food product industry. In compiling its data for the review, Vital Factor Consulting Sdn Bhd relied on its research methodology, industry sources, published materials, its private databanks and direct contacts within the industry.

We believe that the information on the industry as contained in this Prospectus and the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the market and industry in which we operate. Third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. We cannot assure you that the projections will be achieved and you should not place undue reliance on the statistical data and third-party projections cited in this Prospectus.

PRESENTATION OF INFORMATION

The information on our website, or any website directly or indirectly linked to our website does not form part of this Prospectus and you should not rely on that information for the purpose of your decision whether or not to invest in our Shares. If there is any discrepancy between the contents of such website relating to our Group and this Prospectus, the information contained in this Prospectus shall prevail.

EBITDA and the related ratios presented in this Prospectus are supplemental measures of our performance and liquidity that are not required by or presented in accordance with the IFRS Accounting Standards and MFRS Accounting Standards. Furthermore, EBITDA is not a measure of our financial performance or liquidity under the IFRS Accounting Standards and MFRS Accounting Standards and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with the IFRS Accounting Standards or MFRS Accounting Standards or as an alternative to cash flows from operating activities or as a measure of liquidity. In addition, EBITDA is not a standardised term, and hence, a direct comparison of EBITDA between companies may not be possible. Other companies may calculate EBITDA differently from us, limiting its usefulness as a comparative measure.

We believe that EBITDA may facilitate comparisons of operating performance from period to period and company to company by eliminating potential differences caused by variations in capital structures (affecting interest expense and finance charges), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses), the age and booked depreciation and amortisation of assets (affecting relative depreciation and amortisation expenses). EBITDA has been presented because we believe that it is frequently used by securities analysts, investors and other interested parties in evaluating similar companies, many of whom present such non-IFRS Accounting Standards and non-MFRS Accounting Standards financial measures when reporting their results. Finally, EBITDA is presented as a supplemental measure of our ability to service debt. Nevertheless, EBITDA has limitations as an analytical tool, and prospective investors should not consider it in isolation from or as a substitute for analysis of our financial condition or results of operations, as reported under the IFRS Accounting Standards and MFRS Accounting Standards. Due to these limitations, EBITDA should not be considered as a measure of discretionary cash available to invest in the growth of our business.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, plans and prospects, and objectives of our Group for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties, contingencies and other factors which may cause our actual results, our performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our Group's current view with respect to future events and are not a guarantee of future performance.

Forward-looking statements can be identified by the use of forward-looking terminology such as the words "expect", "believe", "plan", "intend", "estimate", "anticipate", "aim", "forecast", "may", "will", "would", and "could" or similar expressions and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:

- (i) demand for our products, and general industry environment;
- (ii) our business strategies, trends and competitive position;
- (iii) our plans and objectives for future operations;
- (iv) our financial performance;
- (v) our earnings, cash flows and liquidity;
- (vi) potential growth opportunities;
- (vii) our ability to pay dividends; and
- (viii) the regulatory environment and the effects of future regulation.

Our actual results may differ materially from information contained in the forward-looking statements as a result of a number of factors beyond our control, including, without limitation:

- (i) the general economic, business, social, political and investment environment in Malaysia and globally;
- (ii) future regulatory or government policy changes affecting us or the markets in which we operate or may operate;
- (iii) activities and financial health of our customers, suppliers, other business partners and distributors;
- (iv) finance cost, interest rates, tax rates and foreign exchange rates;
- (v) delays, cost overruns, shortages in labour and other changes that impact the execution of our expansion plans;
- (vi) competitive environment in the industry in which we operate;
- (vii) reliance on approvals, certificate licenses and permits;
- (viii) continued availability of capital and financing;
- (ix) significant capital expenditure requirements;
- (x) the cost and availability of adequate insurance coverage;

FORWARD-LOOKING STATEMENTS

- (xi) availability and fluctuations in prices of raw materials;
- (xii) fixed and contingent obligations and commitments;
- (xiii) changes in accounting standards and policies; and
- (xiv) any other factors beyond our control which include terrorist acts, pandemics, epidemics or natural disasters.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to those discussed in Section 9 of this Prospectus on “Risk Factors” and Section 12.3 of this Prospectus on “Management’s Discussion and Analysis of Financial Condition and Results of Operations”. We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the LPD based on information available to us as at the LPD.

Should we become aware of any subsequent significant change or development affecting matters disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment / transfer of our IPO Shares, we will issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238(1) of the CMSA and Paragraph 1.02, Chapter 1 of Part II (Division 6) of the Prospectus Guidelines (Supplementary and Replacement Prospectus).

DEFINITIONS

The following definitions shall apply throughout this Prospectus unless the definitions are defined otherwise or the context requires otherwise:

COMPANIES WITHIN OUR GROUP

CFH or Company or Applicant	:	Custom Food Holding Berhad (Registration No. 202501015766 (1617181-P))
CFH Group or Group	:	Collectively, our Company and our Subsidiaries
CFI	:	Custom Food Ingredients Sdn Bhd (Registration No. 197901004719 (48964-V))
CFI BV	:	Custom Food Ingredients B.V. (Company No. 71859993)
Subsidiaries	:	Collectively, CFI and CFI BV

GENERAL

Acquisition	:	Acquisition by our Company of the entire issued share capital of CFI from OCSB and SGSB for a purchase consideration of RM181,501,285 that have been fully satisfied via the issuance of 181,501,285 new Shares, which was completed on [●]
Act	:	Companies Act 2016
ADA	:	Authorised depository agent
Admission	:	Admission of our Shares to the Official List of the Main Market of Bursa Securities
AGM	:	Annual general meeting
Application	:	Application for our IPO Shares under the Retail Offering by way of Application Form, Electronic Share Application and/or Internet Share Application
Application Form(s)	:	Collectively, White Application Form and Pink Application Form
ATM	:	Automated teller machine
Authorised Financial Institution	:	Authorised financial institution participating in the Internet Share Application with respect to payments for our IPO Shares
Board	:	Board of directors of our Company
Bumiputera	:	In the context of: (i) individuals - Malays and the aborigines and the natives of Sabah and Sarawak as specified in the Federal Constitution of Malaysia; (ii) companies - companies which fulfil, among others, the following criteria or such other criteria as may be imposed by MITI: (a) registered under the Act as a private company;

DEFINITIONS

	(b)	its shareholders are 100.00% Bumiputera; and
	(c)	its board of directors (including its staff) are at least 51.00% Bumiputera
	(iii)	cooperatives - cooperatives whose shareholders or cooperative members are at least 95.00% Bumiputera or such other criteria as may be imposed by the MITI
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd
Bursa Securities	:	Bursa Malaysia Securities Berhad
CCC or CF	:	Certificate of completion and compliance or certificate of fitness for occupation or occupation permit or such certificate by any other name issued by the relevant authority or person under the Street, Drainage and Building Act 1974 and any by-laws or such relevant legislation applicable at the material time
CCM or Registrar of Companies	:	Companies Commission of Malaysia
CDS	:	Central depository system
CDS Account(s)	:	Account established for a Depositor by Bursa Depository for the recording of deposits or withdrawals of securities and for dealings in such securities by the Depositor
CMSA	:	Capital Markets and Services Act 2007
Constitution	:	Constitution of our Company
Cornerstone Investors	:	Collectively, [●]
Creador Persons	:	Collectively: (i) Creador Management V Ltd; (ii) the investment advisers of Creador V and other related private equity funds; (iii) their affiliates; and (iv) their shareholders, partners, managers, members, officers and employees
Creador V	:	Creador V L.P. (Registration No. L 205 GBL)
Dato' Saw	:	Dato' Saw Beng Liang
Depositor	:	A holder of a CDS Account
Director(s)	:	Director(s) of our Company
DOSH	:	Department of Occupational Safety and Health Malaysia
EBITDA	:	Earnings before interest, tax, depreciation and amortisation

DEFINITIONS

EIS	:	Employment Insurance System
Electronic Prospectus	:	A copy of this Prospectus that is issued, circulated or disseminated via the Internet, and/or an electronic storage medium, including but not limited to compact disc read-only memory (CD-ROMs)
Electronic Share Application	:	An application for our IPO Shares under the Retail Offering through a Participating Financial Institution's ATM
Eligible Persons	:	Collectively, our Directors and employees of our Group, and persons who have contributed to the success of our Group who are eligible to participate in the Retail Offering
EPF	:	Employees Provident Fund Board
EPS	:	Earnings per share
Equity Guidelines	:	Equity Guidelines issued by the SC
ERP	:	Enterprise resource planning
ESG	:	Environmental, social and governance
F&B	:	Food and beverage
Family Cereal	:	Family Cereal Sdn Bhd
Final Retail Price	:	Final price per Issue Share to be paid by investors under the Retail Offering, equivalent to the Retail Price or the Institutional Price, whichever is the lower, to be determined on the Price Determination Date
Food Empire	:	Food Empire Holdings Limited
FYE	:	Financial year ended / ending 31 December, as the case may be
FYE Under Review	:	Collectively, FYE 2022, FYE 2023 and FYE 2024
GMP	:	Good manufacturing practices
Government	:	Government of Malaysia
GP	:	Gross profit
HACCP	:	Hazard analysis and critical control points
IFRS Accounting Standards	:	International Financial Reporting Standards as issued by the International Accounting Standards Board
IMR Report	:	Independent market research report dated 22 September 2025 prepared by Vital Factor, as set out in Section 8 of this Prospectus

DEFINITIONS

Institutional Offering	: Offering of up to 269,498,100 IPO Shares at the Institutional Price comprising:
	(i) 82,686,700 Issue Shares to identified Bumiputera investors approved by the MITI;
	(ii) up to 141,894,400 Offer Shares to institutional and selected investors (other than Bumiputera investors approved by the MITI); and
	(iii) up to 44,917,000 Offer Shares to identified Bumiputera investors approved by the MITI,
	subject to the clawback and reallocation provisions, and the Over-allotment Option as set out in this Prospectus
Institutional Price	: Price per IPO Share to be paid by investors under the Institutional Offering which will be determined on the Price Determination Date by way of bookbuilding
Internet Participating Financial Institution	: Participating financial institution in the Internet Share Application
Internet Share Application	: Application for our IPO Shares under the Retail Offering through an Internet Participating Financial Institution or Participating Securities Firm
IPO	: Initial public offering comprising the Public Issue and Offer for Sale, collectively
IPO Shares	: Collectively, Issue Shares and Offer Shares
IRB	: Inland Revenue Board
ISO	: International Organisation for Standardisation
Issue Shares	: 113,311,600 new Shares to be issued by our Company pursuant to the Public Issue
Issuing House or Share Registrar	: Tricor Investor & Issuing House Services Sdn Bhd (Registration No. 197101000970 (11324-H))
IT	: Information Technology
JAKIM	: Jabatan Kemajuan Islam Malaysia
Key Senior Management	: Key senior management personnel of our Group, namely Dato' Saw, Gijsbert van Weelden, Tan Eng Kiau, Yeow Poh Ling and Chang Shey Ling
KPMG or Auditors or Reporting Accountants	KPMG PLT ((LLP0010081-LCA) & (AF 0758))
Listing	: Listing of and quotation for our entire enlarged total number of issued Shares on the Main Market of Bursa Securities
Listing Requirements	: Main Market Listing Requirements of Bursa Securities

DEFINITIONS

LPD	:	15 August 2025, being the latest practicable date before the registration of this Prospectus with the SC
MAICSA	:	Malaysian Institute of Chartered Secretaries and Administrators
Main Market	:	Main Market of Bursa Securities
Malaysian Public	:	Citizens of Malaysia, and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
Market Day(s)	:	Any day(s) between Mondays and Fridays (both days inclusive) which is not a public holiday and a day on which Bursa Securities is open for trading of securities
Master Cornerstone Placement Agreement	:	Master cornerstone placement agreement dated [●] entered into between our Company, the Selling Shareholders, the Bookrunner and the Cornerstone Investors as detailed in Section 4.1.2 of this Prospectus
MCCG	:	Malaysian Code on Corporate Governance issued by the SC
MeSTI	:	Makanan Selamat Tanggungjawab Industri
MFRS Accounting Standards	:	Malaysian Financial Reporting Standards as issued by the Malaysian Accounting Standards Board
MITI	:	Ministry of Investment, Trade and Industry
MOH	:	Ministry of Health Malaysia
MyIPO	:	Intellectual Property Corporation of Malaysia
Mylar	:	Mylar Electronics (M) Sdn Bhd
NA	:	Net assets
NBV	:	Net book value
New Factory	:	Proposed new manufacturing facilities comprising a new factory building and a new warehouse to be constructed on a suitable piece of land to be determined by our Group
NRIC	:	Malaysian National Registration Identity Card
OCSB	:	Oriental Concept Sdn Bhd (Registration No. 199201000257 (231761-X))
Offer for Sale	:	Offer for sale by the Selling Shareholders of up to 186,811,400 Offer Shares at the Final Retail Price
Offer Shares	:	Up to 186,811,400 existing Shares to be offered by the Selling Shareholders pursuant to the Offer for Sale
Official List	:	A list specifying all securities which have been admitted for listing on the Main Market of Bursa Securities and not removed

DEFINITIONS

Over-allotment Option	:	The over-allotment option granted by the Over-allotment Option Provider to the Stabilising Manager (on behalf of the Bookrunner) for up to 45,018,400 Shares or up to 15.00% of the total number of IPO Shares
Over-allotment Option Provider	:	OCSB
Participating Financial Institution	:	Participating financial institution for the Electronic Share Application
Participating Securities Firms	:	Participating securities firm for the Internet Share Application
PAT	:	Profit after tax
PBT	:	Profit before tax
Pink Application Form	:	Application form for the application of our Issue Shares allocated to the Eligible Persons as set out in Section 4.1.1(ii) of this Prospectus
Pink Form Allocation	:	The allocation of 10,208,300 Issue Shares under the Retail Offering which have been reserved and set aside for subscription by the Eligible Persons
Placement Agreement	:	Placement agreement to be entered into between our Company, the Selling Shareholders and the Bookrunner in respect of such number of our IPO Shares to be offered under the Institutional Offering
Pre-IPO Reorganisation	:	Restructuring exercise involving the Acquisition and Share Split
Price Determination Date	:	The date on which the Institutional Price and Final Retail Price will be determined
Promoter(s)	:	Collectively, OCSB and Dato' Saw
Prospectus	:	This prospectus dated [●] 2025 issued by our Company
Prospectus Guidelines	:	Prospectus Guidelines issued by the SC
Public Issue	:	The public issue of 113,311,600 Issue Shares
QA	:	Quality assurance
QR	:	Quick response
QESH	:	Quality, environment, safety and health
Record of Depositors	:	A record of securities holders established by Bursa Depository under the Rules of Bursa Depository

DEFINITIONS

Retail Offering	: Offering of 30,624,900 Issue Shares to the Malaysian Public at the Retail Price, subject to the clawback and reallocation provisions, comprising:
	(i) 20,416,600 Issue Shares to the Malaysian Public via balloting; and
	(ii) 10,208,300 Issue Shares to the Eligible Persons
Retail Price	: Initial price of RM[●] per Issue Share to be fully paid upon application under the Retail Offering, subject to adjustment as detailed in Section 4.3.1 of this Prospectus
Retail Underwriting Agreement	: The retail underwriting agreement dated [●] entered into between our Company and the Underwriter for the underwriting of our Issue Shares under the Retail Offering
RFID	: Radio-Frequency Identification
RHB Investment Bank or Sole Principal Adviser, Bookrunner and Underwriter	: RHB Investment Bank Berhad
Rules of Bursa Depository	: Rules of Bursa Depository as issued pursuant to the SICDA
R&D	: Research and development
Saw Ee Chee	: Saw Ee Chee @ Saw Keng Wee
SC	: Securities Commission Malaysia
Selling Shareholder(s)	: Collectively, OCSB and SGSB
SGSB	: Sabroso Group Sdn Bhd (Registration No. 202101036773 (1437073-T))
Shares	: Our ordinary shares
Share Lending Agreement	: The agreement to be entered into by the Over-allotment Option Provider and the Stabilising Manager under which the Over-allotment Option Provider will lend our Shares to the Stabilising Manager to cover over-allotments, if any, under the Over-allotment Option
Share Split	: The share split of 181,502,285 existing Shares into 907,511,425 Shares which was completed on [●] 2025
SICDA	: Securities Industry (Central Depositories) Act 1991
SOC SO	: Social Security Organisation, also known as PERKESO (Pertubuhan Keselamatan Sosial)
Stabilising Manager	: RHB Investment Bank

DEFINITIONS

Vital Factor or Independent Business and Market Research Consultants or IMR	:	Vital Factor Consulting Sdn Bhd (Registration No. 199301012059 (266797-T))
White Application Form	:	Application form for the application of our Issue Shares allocated to the Malaysian Public as set out in Section 4.1.1(i) of this Prospectus
WMS	:	Warehouse management system

OPERATIONAL FACILITIES WITHIN OUR GROUP

Corporate Office or SJ Factory	:	2-storey office building with a factory erected on a parcel of land bearing the title details HSD 31780, PT 3225, Mukim 01, Daerah Seberang Perai Tengah, Negeri Pulau Pinang, and the postal address of 2931, Lorong Jelawat 1, Kawasan Perusahaan Seberang Jaya, 13700 Perai, Pulau Pinang, Malaysia, which is rented by CFI
Kulim Factory	:	Manufacturing facilities comprising: (i) single-storey factory / warehouse cum office; (ii) annexed 3-storey factory; (iii) 5-storey factory (Spray Dryer Plant 1); (iv) 5-storey factory (Spray Dryer Plant 2); (v) single-storey warehouse; (vi) single-storey production with 5-storey factory (Spray Dryer Plant 3); (vii) single-storey production with 4-storey factory (Spray Dryer Plant 4); (viii) guardhouse; and (ix) other ancillary buildings and structures, erected on a parcel of land bearing the title details HSM 10534, PT 24, Bandar Kulim, Kawasan Perindustrian Kulim, Daerah Kulim, Negeri Kedah, and the postal address of Lot No. 24, Lorong Perusahaan 2B, Kawasan Perusahaan Kulim, 09000 Kulim, Kedah, Malaysia, which CFI is the registered lessee
OCSB Warehouse	:	1-storey warehouse erected on a parcel of land bearing the title details PN 8301, Lot 1235 Seksyen 38, Bandar Kulim, Perusahaan Kulim, Daerah Kulim, Negeri Kedah, and the postal address of No. 53A & 53B, Lorong Perusahaan 2, Kawasan Perusahaan Kulim, 09000 Kulim, which is rented by CFI
SJ Warehouse	:	1-storey office building with a factory erected on a parcel of land bearing the title details PN 3275, Lot 5025, Mukim 01, Seberang Perai Tengah, Negeri Pulau Pinang, and the postal address of No. 2587, Lorong Jelawat 1, Seberang Jaya, 13700 Perai, Pulau Pinang, which is rented by CFI
Spray Dryer Plant 1	:	Spray dryer facilities 1 situated at Kulim Factory
Spray Dryer Plant 2	:	Spray dryer facilities 2 situated at Kulim Factory
Spray Dryer Plant 3	:	Spray dryer facilities 3 situated at Kulim Factory
Spray Dryer Plant 4	:	Spray dryer facilities 4 situated at Kulim Factory which is expected to be operational in the fourth quarter of 2025

DEFINITIONS

CURRENCIES AND UNITS

AUD	:	Australian Dollar
EUR	:	Euro
GBP	:	British Pound Sterling
RM and sen	:	Ringgit Malaysia and sen
RMB	:	Chinese Yuan Renminbi
SGD	:	Singapore Dollar
THB	:	Thai Baht
USD	:	United States dollars
°C	:	Degree celsius
%	:	Per centum
kg	:	kilograms
sq ft	:	Square feet
sq m	:	Square metre

GLOSSARY OF TECHNICAL TERMS

The following technical terms in this Prospectus shall have the same meaning as set out below unless the technical term is defined otherwise or the context requires otherwise.

Acacia gum	: A natural gum derived from the sap of the acacia tree. In the food industry, acacia gum is used as an emulsifier, stabiliser, thickener, binder, coating agent, encapsulating agent and for dietary fibre. It is also referred to as gum acacia or gum Arabic
Active formulation	: In the context of this Prospectus, it refers to a food ingredient or product with a specific formulation that has at least one sale in the respective financial year
Calcium β-hydroxy β-methyl butyrate (CaHMB)	: It is the calcium salt form of β -hydroxy β -methylbutyrate (HMB), which is a metabolite (a substance produced during metabolism) of the essential amino acid leucine. CaHMB is primarily used in dietary supplements and sports nutrition products
Cereal	: A type of grain used for food. Examples include wheat, rice, oats, corn, barley and millet
Cereal product	: Cereal products are products derived from cereal. In the context of this Prospectus, cereal products are made from cereal grains and processed into flakes and powders, which were designed for quick preparation and consumption, often as part of a convenient breakfast or functional food formulation
Certificate of Analysis (COA)	: A formal document issued by a manufacturer, supplier, or testing laboratory that verifies a product or material has undergone specific testing and meets predetermined quality, safety, and regulatory standards. It is a 'report card' for a product batch, detailing the results of laboratory analyses. This document serves as proof that the product conforms to its specifications and is fit for its intended use
Clouding agent	: A food additive used to create a cloudy or opaque appearance in liquids such as fruit or vegetable juices. This is often done to simulate the appearance of natural juices, which typically contain small particles from the fruit or vegetable. Common key ingredients used for clouding agents include vegetable oils, gum Arabic and starch
Commodity food ingredients	: Food ingredients that are widely available, traded in large volumes, and used across a wide range of food applications. Examples include grains and cereals (such as wheat, corn, and oats), oils and fats (such as palm, coconut, and sunflower oil), dairy products (such as milk and whey powder), as well as meat and seafood. They are typically sourced from large-scale producers and are subject to price fluctuations driven by market dynamics, weather conditions, and geopolitical factors. Due to their standardisation and broad availability, they serve as essential building blocks in food manufacturing but provide limited differentiation for finished products

GLOSSARY OF TECHNICAL TERMS

Creamer	: Creamers are food and beverage additives that enhance texture by making them smoother and richer. They also whiten beverages and add flavour to food products. Common types include dairy creamers, made from cow's milk, and non-dairy creamers, which typically use vegetable oils instead of milk fat
Docosahexaenoic acid (DHA)	: DHA is an Omega-3 fatty acid with potential benefits for brain health, vision, heart health, and overall well-being. Natural sources of DHA include fatty fish, shellfish, algae and human breast milk. DHA commonly works synergistically with EPA, where each emphasises distinct benefits
Drum drying	: It is a continuous process of drying liquid, slurry, or paste-like food products by applying a thin layer of the material onto the surface of one or more heated rotating drums. The heat from inside the drum causes rapid evaporation of moisture from the material, and the resulting dried film is then scraped off as flakes or powder
Eicosapentaenoic acid (EPA)	: EPA is an omega-3 fatty acid mainly found in fatty fish and algae. It provides potential health benefits, particularly supporting cardiovascular health and reducing inflammation. EPA often works synergistically with DHA, with each contributing unique but complementary benefits
Emulsification process	: The emulsification process is the method of dispersing two or more liquids that do not naturally mix, such as oil and water, to create a stable or semi-stable homogenous mixture called an emulsion. This is typically achieved by reducing the surface tension between the liquids, often with the aid of emulsifiers and mechanical energy, such as mixing, blending, or homogenisation
Fat powder	: It refers to a powdered form of edible fats or oils, such as palm or coconut oil. This ingredient is created through a process, most commonly spray drying, where liquid fat is atomised into fine droplets and then dried with hot air. The fat molecules are often encapsulated within a carrier material, such as carbohydrates (e.g., maltodextrin), proteins (e.g., acid casein), or gums (e.g. acacia gum) to create a stable, free-flowing powder
Fatty acids	: Fatty acids are long-chain organic (carboxylic) acids that are either saturated or unsaturated. They are the major components of lipids (fats and oils)
Filtermat spray drying system	: The Filtermat spray drying system is a multi-stage spray dryer with an integrated conveyer belt, designed for drying high-fat-content or heat-sensitive formulations. In this system, sprayed droplets undergo primary drying in a drying chamber, followed by secondary drying and cooling on a moving conveyor belt or mesh mat (the Filtermat)
Foaming creamer	: It is a type of creamer, typically in powdered form, specifically formulated to produce a layer of foam on top of hot beverages, such as coffee, cappuccino, latte, hot chocolate, and milk tea

GLOSSARY OF TECHNICAL TERMS

Food ingredients	: Food ingredients broadly refer to all substances used in the formulation of final ready-to-eat or ready-to-drink products. In the context of this Prospectus, the term focuses on ingredients that enhance food and beverage products by improving their texture, appearance, taste, nutritional value, or convenience. These ingredients also play a key role in the development of food products tailored for specific dietary needs, health conditions, and lifestyle preferences
Food products	: Food products refer to finished items that are intended for human consumption, either in their ready-to-eat or ready-to-drink form. These products are developed through the combination of various food ingredients and may be processed, semi-processed, or minimally processed. In the context of this Prospectus, food products encompass a range of commercially manufactured items designed to meet consumer demand for taste, nutrition, convenience, and specific dietary or lifestyle preferences
Functional food ingredients	: Functional foods offer health benefits beyond their basic nutritional value. They contain bioactive compounds (natural or added), such as vitamins, minerals, antioxidants, probiotics, or fibre, that may provide additional advantages like disease prevention or improved overall health and well-being
Functional lipid powder	: It is a dry, powdered form of lipids (such as fats and oils) that have been processed to provide specific health benefits beyond basic nutrition. These powders are designed to enhance stability and improve the ease of incorporation into food and beverage products, while delivering functional properties such as enhanced energy or essential fatty acid compounds. These powders are often used in food, beverage, nutraceutical, and health supplement formulations where delivering lipids in a stable and convenient form is essential
Gum Arabic	: Also known as acacia gum or gum acacia
Lecithin	: It is a naturally occurring fat-based compound found in animal and plant tissues. It is widely used as an emulsifier, stabiliser, and nutritional supplement. Some of the common sources of lecithin include soybeans, sunflower seeds, rapeseed and corn
Lipid powder	: It is a dry, powdered form of lipids (such as fats and oils) created using microencapsulation techniques. It provides the benefits of liquid fats and oils in a stable, easy-to-handle, and longer shelf-life format. Lipid powders are typically made from vegetable oils (e.g. palm oil, coconut oil, sunflower oil and soybean oil), animal-derived fats (e.g. dairy fats and fish oil), medium-chain triglycerides (MCT), and encapsulation carriers (e.g. maltodextrin, protein, and acacia gum)
Lipids	: They are a broad group of naturally occurring organic molecules that include fats, oils, waxes, phospholipids, steroids, and fatty acids. They are hydrophobic (water-insoluble) or amphiphilic (partially water-soluble) and play crucial roles in energy storage, cell membrane structure, and signalling in living organisms

GLOSSARY OF TECHNICAL TERMS

Malt	:	It is a cereal grain, such as barley, wheat, rye or oats, that has been partially germinated and then dried through a process called malting. This controlled germination activates enzymes that break down starches into fermentable sugars, proteins, and other compounds, making malt a key ingredient in brewing, distilling, and food production
Maltodextrin	:	It is a type of carbohydrate made from starch (usually corn, potato, wheat, rice or tapioca) that has been broken down into shorter chains of glucose molecules, which makes it easy and quick to be digested
Malt product	:	Malt products are products derived from malt. In the context of this Prospectus, malt products are made from malt extract plus other food ingredients, which were designed for quick preparation and consumption such as chocolate malt drinks, malted milk and dessert toppings
Medium-chain triglycerides (MCTs)	:	They are a type of fat composed of medium-length fatty acid chains (6 to 12 carbon atoms). They are found naturally in coconut oil, palm kernel oil, and dairy products. MCTs are unique because they are quickly absorbed and utilised as an immediate energy source, rather than being stored as fat
Microencapsulation	:	It is a technological process in which tiny particles of a food ingredient are encapsulated with a protective material to form microscopic capsules. This technology enhances ingredient stability, masks undesirable flavours, and enables controlled release in food products
Mouthfeel	:	It refers to the physical and tactile sensations experienced in the mouth when consuming food or beverages. It encompasses texture, consistency, and structural properties that contribute to the overall sensory perception beyond taste and aroma
Multi-stage tall-form spray drying system	:	In the context of this Prospectus, our multi-stage tall-form spray drying system is a spray dryer equipped with a tall drying chamber and an external fluid bed, designed to produce free-flowing powders with controlled moisture content and improved stability. In this system, sprayed droplets undergo primary drying in the tall-form chamber, followed by secondary drying and cooling in an external fluid bed
Non-dairy creamer	:	It is a liquid or powdered alternative to dairy cream, designed to mimic the texture, richness, and whitening effect of milk or cream in beverages and food. Commonly, vegetable oils such as palm or coconut oil are used as a substitute for milk fat, making it lactose-free. Acid casein, a milk protein, is often used as an encapsulation agent. In certain situations, plant-based proteins such as acacia gum are used to substitute for acid casein, creating a vegan version of non-dairy creamer. Non-dairy creamer is commonly used in a wide range of food products such as coffee, tea, cereals, ready-to-drink blends, soups, sauces, and confectionery

GLOSSARY OF TECHNICAL TERMS

Nutraceutical	: It is a food product that provides health benefits beyond basic nutrition, encompassing nutrients, dietary supplements, and fortified foods. These products aim to improve overall wellbeing, prevent chronic conditions, and support various bodily functions. They are consumed for health-promoting properties, acting as a functional component of a healthy lifestyle
Nutritional lipid powder	: It is a dry, free-flowing powder formulation that contains lipids (such as fats and oils) with added nutritional benefits, designed for easy incorporation into food, beverages, and dietary supplements. These powders are engineered to deliver essential fatty acids, fat-soluble vitamins, and other bioactive lipids while improving stability, solubility, and consumer acceptability compared to liquid oils
Omega fatty acids	: They are a group of polyunsaturated fatty acids essential for human health. They include Omega-3 (e.g. found in fatty fish), Omega-6 (e.g. found in vegetable oils) and Omega-9 (e.g. found in olive oils) fatty acids
Ready-to-drink	: Final processed beverages that can be consumed directly without further processing
Sacha Inchi	: It is a plant native to the Amazon rainforest. It produces star-shaped pods containing edible seeds that are rich in healthy fats and proteins. The seeds are high in Omega-3, Omega-6, and Omega-9 fatty acids, and it has one of the highest plant-based Omega-3
Specialty food ingredients	: Food ingredients that are produced through significant processing of mainly food ingredients, such as palm oil, combined with additives like milk protein and emulsifiers, to create specialty products like non-dairy creamer
Spray drying	: It is an industrial drying method that converts liquids or slurries into dry powder by atomising them into fine droplets and rapidly evaporating the moisture using hot gas (typically air or nitrogen). This method is widely used in food, pharmaceuticals, and chemicals to preserve heat-sensitive ingredients while maintaining solubility and stability
Stabilising agent / Stabiliser	: A food additive or natural ingredient used to maintain the texture, consistency, and shelf life of processed foods by preventing separation, settling, or undesirable changes in structure
Vacuum belt drying	: It is an industrial drying method that converts liquid or slurries into powders, flakes, or porous solids under reduced pressure (vacuum). It is ideal for heat-sensitive, high-value ingredients (e.g., probiotics, plant extracts, enzymes) that degrade at high temperatures
Vegan	: A dietary choice that excludes all animal products and by-products

1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Nationality / Gender	Designation	Residential Address
Chua Hooi Luan	Malaysian / Female	Independent Non- Executive Chairman	33-5-3, Codrington Avenue 10350 Georgetown Pulau Pinang, Malaysia
Dato' Saw	Malaysian / Male	Managing Director	8A-5-2, 8 Gurney Persiaran Gurney 10250 Georgetown Pulau Pinang, Malaysia
Saw Benson	Malaysian / Male	Non-Independent Non- Executive Director	8A-5-2, 8 Gurney Persiaran Gurney 10250 Georgetown Pulau Pinang, Malaysia
Lum Ying Ling	Malaysian / Female	Non-Independent Non- Executive Director	22 Puncak Widuri Country Heights 43000 Kajang Selangor, Malaysia
Lee Seow Ling	Malaysian / Female	Independent Non- Executive Director	Tower 2-18-E, Greenlane Park No. 1, Solok Tembaga 11600 Georgetown Pulau Pinang, Malaysia
Khoo Choon Keat	Malaysian / Male	Independent Non- Executive Director	357F, Lengkok Pemancar 11700 Gelugor Pulau Pinang, Malaysia
Chung Wei Leng	Malaysian / Female	Independent Non- Executive Director	5, Solok Bukit Jambul 11950 Bayan Lepas Pulau Pinang, Malaysia

1. CORPORATE DIRECTORY

AUDIT COMMITTEE

<u>Name</u>	<u>Designation</u>	<u>Directorship</u>
Lee Seow Ling	Chairperson	Independent Non-Executive Director
Khoo Choon Keat	Member	Independent Non-Executive Director
Chung Wei Leng	Member	Independent Non-Executive Director

NOMINATING AND REMUNERATION COMMITTEE

<u>Name</u>	<u>Designation</u>	<u>Directorship</u>
Khoo Choon Keat	Chairman	Independent Non-Executive Director
Saw Benson	Member	Non-Independent Non-Executive Director
Lee Seow Ling	Member	Independent Non-Executive Director

SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE

<u>Name</u>	<u>Designation</u>	<u>Directorship</u>
Chung Wei Leng	Chairperson	Independent Non-Executive Director
Dato' Saw	Member	Managing Director
Khoo Choon Keat	Member	Independent Non-Executive Director

1. CORPORATE DIRECTORY

COMPANY SECRETARIES	: Teo Soon Mei	
	Professional qualification	: Master of Corporate Governance, Chartered Secretary and Chartered Governance Professional MAICSA (MAICSA Membership No.: 7018590) (SSM PC No.: 201908000235) The Institute of Internal Auditors Malaysia (Associate membership No.: 210858)
	Tee Wan Ting	
	Professional qualification	: Chartered Secretary and Chartered Governance Professional MAICSA (MAICSA Membership No.: 7077906) (SSM PC No.: 202208000388)
	No. D-09-02, Level 9, EXSIM Tower Millerz Square @ Old Klang Road Megan Legasi No. 357, Jalan Kelang Lama 58000 Kuala Lumpur Malaysia	
	Telephone No.	: (603) 7971 8080
REGISTERED OFFICE	:	No. D-09-02, Level 9, EXSIM Tower Millerz Square @ Old Klang Road Megan Legasi No.357, Jalan Kelang Lama 58000 Kuala Lumpur Malaysia
	Telephone No.	: (603) 7971 8080
HEAD OFFICE	:	2931, Lorong Jelawat 1 Kawasan Perusahaan Seberang Jaya 13700 Perai Pulau Pinang Malaysia
	Telephone No.	: (60 4) 390 4077
	Email	: info@cfigroup.com.my
	Website	: https://cfigroup.com.my/home/
SOLE PRINCIPAL ADVISER, BOOKRUNNER AND UNDERWRITER	:	RHB Investment Bank Berhad Level 10, Tower One, RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Malaysia
	Telephone No.	: (603) 9287 3888

1. CORPORATE DIRECTORY

AUDITORS AND REPORTING ACCOUNTANTS : **KPMG PLT (LLP0010081-LCA) & (AF 0758))**
 Level 18, Hunza Tower
 163E, Jalan Kelawei
 10250 George Town
 Pulau Pinang
 Malaysia

Telephone No. : (604) 375 1800
 Partner-in-charge : Lim Su Ling
 Approval No. : 03098/12/2025 J
 Professional qualification : Chartered Accountant
 Member of Malaysian Institute of Accountants ("MIA")
 (MIA Membership No.: 14409)

SOLICITORS : **Christopher & Lee Ong**
 Level 22, Axiata Tower
 No.9, Jalan Stesen Sentral 5
 Kuala Lumpur Sentral
 50470 Kuala Lumpur
 Malaysia

Telephone No. : (603) 2273 1919

INDEPENDENT BUSINESS AND MARKET RESEARCH CONSULTANT : **Vital Factor Consulting Sdn Bhd**
 V Square @ PJ City Centre (VSQ)
 Block 6, Level 6
 Jln Utara
 46200 Petaling Jaya
 Selangor
 Malaysia

Telephone No. : (603) 7931 3188
 Managing Director : Wooi Tan

Qualification : • Master of Business Administration from the University of Technology Sydney), Australia
 • Bachelor of Science from the University of New South Wales, Australia
 • Fellow of both the Australian Marketing Institute and Institute of Managers and Leaders, Australia

(Please refer to Section 8 of this Prospectus for the profile of the firm and signing partner)

SHARE REGISTRAR AND ISSUING HOUSE : **Tricor Investor & Issuing House Services Sdn Bhd**
 Unit 32-01, Level 32, Tower A
 Vertical Business Suite
 Avenue 3, Bangsar South
 No. 8, Jalan Kerinchi
 59200 Kuala Lumpur
 Malaysia

Telephone No. : (603) 2783 9299

LISTING SOUGHT : Main Market of Bursa Securities

2. INTRODUCTION

2.1 APPROVALS AND CONDITIONS

2.1.1 SC

- (i) The SC had, vide its letter dated [●], approved the reliefs we sought from having to comply with the following requirements under the Equity Guidelines and Prospectus Guidelines. The details of the reliefs sought are set out below:

Reference	Details of relief granted	Conditions imposed (if any)
<u>Equity Guidelines</u>		
Paragraph 5.30, Part II	Relief from having to provide the moratorium undertaking by Saw Ee Chee, being a direct shareholder of OCSB	[●]
Paragraphs 2(a) and 2(b) of Appendix 4, Part IV	Relief from complying with the requirement in respect of placement of IPO Shares to be offered under the Institutional Offering to persons connected to RHB Investment Bank, namely:	[●]
	(i) RHB Asset Management Sdn Bhd; and	
	(ii) RHB Islamic International Asset Management Berhad	
<u>Prospectus Guidelines</u>		
Paragraphs 2.09(c) and 4.01(d), Division 1 - Part II	Relief from having to disclose the ultimate beneficial owners of SGSB in this Prospectus, such that the disclosure shall only be up to Creador V, being the shareholder holding 83.5% equity interest in Rajaraja Chola Limited, which in turn holds 100.0% equity interest in SGSB, via Polvere Group Sdn Bhd	[●]
Paragraph 4.01(b), Division 1 - Part II	Relief from having to disclose the background information of Saw Ee Chee, being our substantial shareholder, in this Prospectus	[●]
Paragraph 5.04, Division 1 - Part II	Relief from having to disclose details of the shareholders' agreement entered into between OCSB, SGSB and our Group ("SHA") in this Prospectus	[●]
Paragraph 13.01(b)(i), Division 1 - Part II	Relief from making the SHA available at our registered office for inspection	[●]

2. INTRODUCTION

- (ii) The SC had, vide its letter dated [●] 2025 (“**Approval Letter**”), approved our IPO and Listing under Section 214(1) of the CMSA, subject to compliance with the following conditions:

No.	Conditions	Status of compliance
1.	[●]	[●]

- (iii) The SC had, vide its Approval Letter, approved our application under the Bumiputera equity requirement for public listed companies pursuant to our Listing, subject to compliance with the following conditions:

No.	Conditions	Status of compliance
1.	[●]	[●]

2.1.2 Bursa Securities

Bursa Securities had, vide its letter dated [●], approved our Admission and our Listing (“**Bursa Securities Approval Letter**”).

In the Bursa Securities Approval Letter, our Company and RHB Investment Bank are required to comply with the following:

No.	Conditions	Status of compliance
1.	[●]	[●]

2.1.3 MITI

The MITI had, vide its letter dated [●], taken note of and has no objection to our Listing.

2.2 MORATORIUM ON SALE OF SHARES

Pursuant to Paragraph 5.29(a), Part II of the Equity Guidelines, our Shares directly held by OCSB as at the date of our Listing will be placed under moratorium for a period of six months from the date of our Listing (“**Moratorium Period**”) as set out below:

Name	Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
OCSB	669,863,638	65.62	624,845,238	61.21

Note:

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

2. INTRODUCTION

Further, pursuant to Paragraph 5.30, Part II of the Equity Guidelines, the shareholders of OCSB (save for Saw Ee Chee) have undertaken not to sell, transfer or assign any part of their shareholdings in OCSB during the Moratorium Period, as shown below:

Shareholders	Shares under moratorium	
	No. of shares held in OCSB	%
Dato' Saw	33,333	33.33
Saw Benson	33,333	33.33

A relief has been sought to allow Saw Ee Chee to be exempted from the moratorium restrictions in respect of his entire shareholding in OCSB. Please refer to Section 2.1.1 of this Prospectus for further details on the relief sought.

In addition, Dato' Saw and Saw Benson have each provided an additional undertaking not to transfer, sell or assign the shareholding of Saw Ee Chee in OCSB, if such shares are transferred to either of them under the terms of a will executed by Saw Ee Chee in 2016, during the Moratorium Period.

The above restrictions do not apply:

- (i) in respect of our Shares that may be sold pursuant to the exercise of the Over-allotment Option to be granted by the Over-allotment Option Provider to the Stabilising Manager (on behalf of the Bookrunner); and
- (ii) to the transfer of our Shares by the Over-allotment Option Provider as contemplated under the Share Lending Agreement, provided that the restriction will apply to the Shares returned to the Over-allotment Option Provider pursuant to the Share Lending Agreement.

In compliance with the moratorium restrictions, Bursa Depository will, on our Share Registrar's instructions in the prescribed forms, ensure that the trading of our Shares held by OCSB is not permitted during the Moratorium Period.

3. PROSPECTUS SUMMARY

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

3.1 DETAILS OF OUR IPO

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

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

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

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

Note:

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

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

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

3.2 BUSINESS MODEL

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

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

3. PROSPECTUS SUMMARY

Our business activities are as follows:



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

(i) Manufacture of specialty food ingredients and food products

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

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

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

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

(ii) Supply of other food ingredients and food products

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

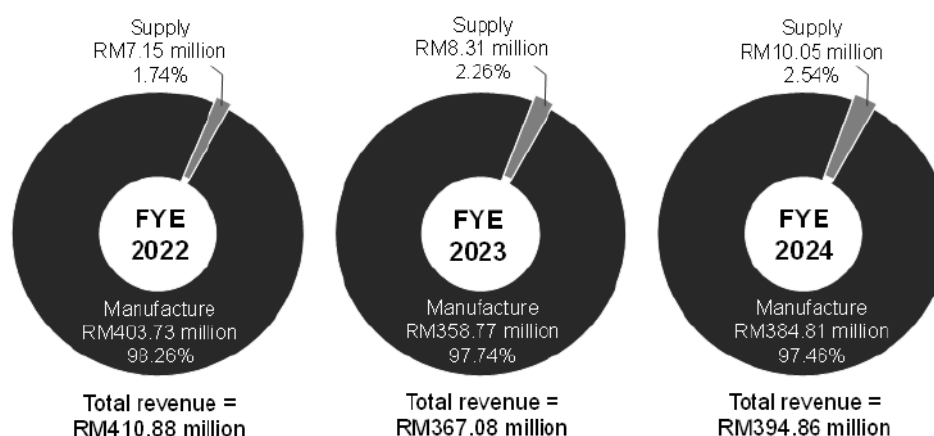
Activities related to the supply of other food ingredients and food products mainly involve (i) trading of food ingredients and food products in original packaging; (ii) repackaging bulk products into smaller pouches; and (iii) dry blending multiple ingredients into packaged food products.

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

3. PROSPECTUS SUMMARY

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

Revenue segmentation by business activities



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

3.3 AWARDS, RECOGNITIONS AND MEMBERSHIPS

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

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

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

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

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

3. PROSPECTUS SUMMARY

3.4 OUR COMPETITIVE STRENGTHS

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

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

3.5 OUR BUSINESS STRATEGIES AND PLANS

Our strategies and plans are as follows:



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



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



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

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

3. PROSPECTUS SUMMARY

3.6 UTILISATION OF PROCEEDS

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

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

3.7 RISK FACTORS

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

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

3. PROSPECTUS SUMMARY

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

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

3.8 OUR DIRECTORS AND KEY SENIOR MANAGEMENT

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

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

3. PROSPECTUS SUMMARY

3.9 OUR PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

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

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

3. PROSPECTUS SUMMARY

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

Notes:

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

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

3. PROSPECTUS SUMMARY

3.10 FINANCIAL AND OPERATIONAL INFORMATION

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

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

Notes:

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

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

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

3. PROSPECTUS SUMMARY

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

3.11 DIVIDEND POLICY

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

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

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

Notes:

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

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

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

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

4. DETAILS OF OUR IPO

4.1 PARTICULARS OF OUR IPO

Our IPO is subject to the terms and conditions of this Prospectus and upon acceptance, our IPO Shares are expected to be allocated or transferred in the manner described below, subject to the clawback and reallocation provisions, and the Over-allotment Option as set out in Sections 4.1.5 and 4.1.6 of this Prospectus respectively.

Our IPO comprises the Retail Offering and the Institutional Offering, totaling up to 300,123,000 IPO Shares, representing up to 29.40% of our entire enlarged total number of issued Shares.

4.1.1 Retail Offering

The Retail Offering involves the offering of 30,624,900 Issue Shares, representing approximately 3.00% of our entire enlarged total number of issued Shares, subject to the clawback and reallocation provisions as set out in Section 4.1.5 of this Prospectus, at the Retail Price to be allocated in the following manner:

(i) Malaysian Public (via balloting)

20,416,600 Issue Shares, representing 2.00% of our entire enlarged total number of issued Shares, will be made available for application by the Malaysian Public by way of balloting, of which at least 50.00% will be set aside for Bumiputera investors.

(ii) Eligible Persons

10,208,300 Issue Shares, representing 1.00% of our entire enlarged total number of issued Shares will be made available for application by Eligible Persons under the Pink Form Allocation.

A summary of the allocation of 10,208,300 Issue Shares to Eligible Persons is set out below:

Eligible Persons ⁽¹⁾	No. of persons	Aggregate number of Issue Shares allocated
Eligible Directors ⁽²⁾	4	1,020,000
Eligible employees ⁽³⁾	204	4,088,300
Persons who have contributed to the success of our Group ⁽⁴⁾	40	5,100,000
Total	248	10,208,300

Notes:

- (1) Subject to the clawback and reallocation provisions as set out in Section 4.1.5 of this Prospectus, all the Eligible Persons are eligible to apply for any amount of Excess Shares (as defined below) over and above their pre-determined allocation.

4. DETAILS OF OUR IPO

(2) Eligible Directors

The criteria for allocation to our eligible Directors is based on their respective roles, responsibilities and anticipated contributions to our Group. Our eligible Directors will collectively be allocated 1,020,000 Issue Shares as follows:

Name	Designation	Number of Issue Shares allocated
Chua Hooi Luan	Independent Non-Executive Chairman	270,000
Lee Seow Ling	Independent Non-Executive Director	250,000
Khoo Choon Keat	Independent Non-Executive Director	250,000
Chung Wei Leng	Independent Non-Executive Director	250,000
Total		1,020,000

(3) Eligible employees

The criteria of allocation to our eligible employees is based on, among others, the following factors:

- (i) confirmed full-time employee and on the payroll of our Group; and
- (ii) seniority, position, length of service, past performance and past contribution to our Group.

Our Eligible Employees will collectively be allocated 4,088,300 Issue Shares as follows:

- (i) 2,100,100 Issue Shares to be allocated to our Key Senior Management as follows:

Name	Designation	Number of Issue Shares allocated
Gijsbert van Weelden	Chief Operating Officer	700,000
Tan Eng Kiau	Senior Manager General	500,000
Yeow Poh Ling	Chief Financial Officer	500,000
Chang Shey Ling	Deputy Manager General	400,100
Total		2,100,100

- (ii) 1,988,200 Issue Shares to be allocated to our other eligible employees (save for our Key Senior Management).

4. DETAILS OF OUR IPO

(4) Persons who have contributed to the success of our Group

The criteria of allocation to persons who have contributed to the success of our Group (such as, our customers, suppliers and business associates) is based on their length of relationship with our Group and their contribution to the success of our Group, and they will be allocated 5,100,000 Issue Shares.

4.1.2 Institutional Offering

The Institutional Offering involves the offering of up to 269,498,100 IPO Shares, representing up to 26.40% of our entire enlarged total number of issued Shares, subject to the clawback and reallocation provisions, and the Over-allotment Option as set out in Sections 4.1.5 and 4.1.6 of this Prospectus respectively, at the Institutional Price to be allocated in the following manner:

- (i) 82,686,700 Issue Shares and up to 44,917,000 Offer Shares, representing up to 12.50% of our entire enlarged total number of issued Shares to Bumiputera investors approved by the MITI; and
- (ii) up to 141,894,400 Offer Shares, representing up to 13.90% of our entire enlarged total number of issued Shares to institutional and selected investors (other than Bumiputera investors approved by the MITI).

[As part of the Institutional Offering, on [●], our Company, the Selling Shareholders, the Bookrunner and the Cornerstone Investors have entered into the Master Cornerstone Placement Agreement where the Cornerstone Investors have agreed to acquire and/or subscribe for an aggregate of [●] IPO Shares, representing approximately [●]% of our entire enlarged total number of issued Shares, at the Institutional Price, subject to the terms of the Master Cornerstone Placement Agreement and the individual cornerstone placement agreements. None of the Cornerstone Investors will individually acquire or subscribe for 5.0% or more of our entire enlarged total number of issued Shares under the individual cornerstone placement agreements.

The cornerstone placement agreements are conditional upon, among others, the Retail Underwriting Agreement and the Placement Agreement being entered into and not having been terminated pursuant to their respective terms.]

4. DETAILS OF OUR IPO

4.1.3 Selling Shareholders

The Offer Shares to be offered by each Selling Shareholder and their respective direct shareholdings in our Company before and after our IPO, and their relationship with our Group within the past three years are as follows:

Name / Address	Nature of relationship	As at the [LPD] and before our IPO		Shares to be offered under the Offer for Sale		Shareholding after our IPO assuming the Over-allotment Option is not exercised		Shares under the Over-allotment Option		Shareholding after our IPO assuming the Over-allotment Option is fully exercised ⁽³⁾	
		No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾
OCSB / Suite I, 2 nd Floor, Wisma Lister Garden 123 Jalan Macalister 10400, George Town Pulau Pinang, Malaysia	Promoter / Substantial shareholder	726,009,140	80.00	56,145,502	5.50	669,863,638	65.62	45,018,400	4.41	624,845,238	61.21
SGSB / Unit 30-01, Level 30, Tower A, Vertical Business Suite Avenue 3, Bangsar South No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia	Substantial shareholder	181,502,285	20.00	130,665,898	12.80	50,836,387	4.98	-	-	50,836,387	4.98

Notes:

(1) Computed based on our total number of 907,511,425 Shares before our IPO.

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

Based on the Retail Price, the Offer for Sale will raise gross proceeds of up to approximately RM[●] million.

4. DETAILS OF OUR IPO

4.1.4 Summary of our IPO Shares to be allocated and underwritten

A summary of our IPO Shares offered under the Retail Offering and Institutional Offering subject to clawback and reallocation provisions, and the Over-allotment Option set out in Sections 4.1.5 and 4.1.6 of this Prospectus respectively, is as follows:

Category	Public Issue		Offer for Sale		IPO Shares	
	No. of Issue Shares	% ⁽¹⁾	No. of Offer Shares	% ⁽¹⁾	No. of IPO Shares	% ⁽¹⁾
Retail Offering						
Malaysian Public (via balloting)						
- Bumiputera investors	10,208,300	1.00	-	-	10,208,300	1.00
- Non-Bumiputera investors	10,208,300	1.00	-	-	10,208,300	1.00
Eligible Persons						
- Eligible Directors	1,020,000	0.10	-	-	1,020,000	0.10
- Eligible employees	4,088,300	0.40	-	-	4,088,300	0.40
- Persons who have contributed to the success of our Group	5,100,000	0.50	-	-	5,100,000	0.50
Institutional Offering						
Institutional and selected investors	-	-	141,894,400	13.90	141,894,400	13.90
Identified Bumiputera investors approved by the MITI	82,686,700	8.10	44,917,000	4.40	127,603,700	12.50
Total	113,311,600	11.10	186,811,400	18.30	300,123,000	29.40

Note:

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

The Retail Offering has been fully underwritten, while the Institutional Offering is not underwritten. Irrevocable undertakings will be obtained from investors who subscribe for our IPO Shares made available under the Institutional Offering.

4. DETAILS OF OUR IPO

Our IPO is subject to the public shareholding spread requirement as stipulated under the Listing Requirements as set out in Section 4.1.7 of this Prospectus.

4.1.5 Clawback and reallocation

Our IPO shall be subject to the minimum subscription as detailed in Section 4.1.7 of this Prospectus and the following clawback and reallocation provisions:

- (i) if our IPO Shares allocated to the identified Bumiputera investors approved by the MITI (“**MITI Tranche**”) are under-subscribed, and there is an over-subscription for our Issue Shares by the Bumiputera public investors under the Retail Offering, such IPO Shares will be clawed back from the remaining MITI Tranche and allocated to the Bumiputera public investors under the Retail Offering.

If after the above reallocation, the MITI Tranche is still under-subscribed, our IPO Shares will be clawed back from the remaining MITI Tranche and allocated in the following manner:

- (a) firstly, to the institutional and selected investors under the Institutional Offering; and
 - (b) secondly, if there is a corresponding over-subscription for our Issue Shares by the Malaysian Public under the Retail Offering, to the Malaysian Public under the Retail Offering;
- (ii) if our Issues Shares allocated to the Eligible Persons are under-subscribed following the allocation procedures of the Excess Shares (as defined below) set out below, such Issue Shares may be allocated to the institutional and selected investors under the Institutional Offering or the Malaysian Public under the Retail Offering or a combination of both, at the discretion of the Bookrunner and us;
- (iii) subject to items (i) and (ii) above, if there is an over-subscription in the Retail Offering and there is a corresponding under-subscription in the Institutional Offering, our IPO Shares not taken up may be clawed back from the Institutional Offering and be allocated to the Retail Offering; and
- (iv) subject to items (i) and (ii) above, if there is an under-subscription in the Retail Offering and there is a corresponding over-subscription in the Institutional Offering, our Issue Shares not taken up may be clawed back from the Retail Offering and reallocated to the Institutional Offering.

The clawback and reallocation provisions will not apply if there is an over-subscription or under-subscription in both the Retail Offering and Institutional Offering.

Any of our Issue Shares allocated to Eligible Persons but not taken up by them (“**Excess Shares**”) shall be made available to other Eligible Persons who have applied for excess Issue Shares (if any) in addition to their pre-determined allocation of our Issue Shares. The Excess Shares will be allocated to these other Eligible Persons on a fair and equitable basis in the following priority:

- (a) firstly, allocation on a proportionate basis to Eligible Persons who have applied for the Excess Shares based on the number of Excess Shares applied for; and
- (b) secondly, to minimise odd lots.

4. DETAILS OF OUR IPO

Our Board reserves the right to allot the Excess Shares applied in such manner as it may deem fit and expedient in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in items (a) and (b) above are achieved. Our Board also reserves the right to accept or reject any Excess Shares application, in full or in part, without assigning any reason.

Once completed, the steps involving items (a) and (b) above will not be repeated. Should there be any Excess Shares thereafter, such balance will be made available for clawback and reallocation as described in (ii) above. Any of our Issue Shares under the Retail Offering that are not subscribed after being subject to the clawback and reallocation provisions above shall be underwritten our Underwriter based on the terms and conditions of the Retail Underwriting Agreement.

As at the LPD, to the best of our knowledge and belief:

- (i) there is no substantial shareholder, Director or Key Senior Management who have indicated that they intend to subscribe for our IPO Shares, save for our IPO Shares made available for application under the Pink Form Allocation; and
- (ii) there is no person who intends to subscribe for more than 5.00% of our IPO Shares.

Notwithstanding the above, if there is an under-subscription for our IPO Shares, the subscriptions received for our IPO Shares will first be applied towards subscribing in full the Issue Shares under our Public Issue. Thereafter, any additional subscription for our IPO Shares will be allocated from the Offer Shares and any remaining Offer Shares not subscribed for will be retained by the Selling Shareholders. For the avoidance of doubt, our Public Issue will take priority over the Offer for Sale if there is an undersubscription of our IPO Shares.

4.1.6 Over-allotment Option

The Over-allotment Option Provider may grant an Over-allotment Option to the Stabilising Manager (on behalf of the Bookrunner) and may together with our Company appoint the Stabilising Manager to undertake any price stabilisation actions. The Stabilising Manager (or persons acting on behalf of the Stabilising Manager) may at its absolute discretion, over-allot our Shares (on behalf of the Bookrunner) and subsequently, effect transactions to stabilise or maintain the market price of our Shares at levels that might not otherwise prevail in the open market.

Such transactions consist of bids or purchases to peg, fix or maintain the price of our Shares. If the Stabilising Manager creates a short position in our Shares in connection with the Institutional Offering, the Stabilising Manager may reduce that short position by purchasing our Shares in the open market. The Stabilising Manager may also elect to reduce any short positions by exercising all or part of the Over-allotment Option.

If granted, the Over-allotment Option will be exercisable in whole or in part by the Stabilising Manager, on one or more occasions, by giving written notice to the Over-allotment Option Provider at any time, within 30 days from the date of our Listing to purchase from the Over-allotment Option Provider up to an aggregate of 45,018,400 Shares, representing up to 15.00% of the total number of our IPO Shares offered, solely for purposes of covering over-allotments of our Shares (if any).

4. DETAILS OF OUR IPO

Subject to there being an over-allotment, the Stabilising Manager will (on behalf of the Bookrunner) enter into the Share Lending Agreement with the Over-allotment Option Provider to borrow up to an aggregate of 45,018,400 Shares to cover the over-allotments. Any Shares that may be borrowed by the Stabilising Manager under the Share Lending Agreement will be returned by the Stabilising Manager to the Over-allotment Option Provider either through the purchase of our Shares in the open market by the Stabilising Manager in the conduct of the stabilisation activities or deemed returned through the exercise of the Over-allotment Option by the Stabilising Manager or a combination of both. The exercise of the Over-allotment Option will not increase the total number of Shares issued and is not intended to constitute an offer for sale of our Shares by the Over-allotment Option Provider under our IPO.

Purchases of a security to stabilise the price or to cover the over-allotment may cause the price of the security to be higher than it might be in the absence of these purchases. Such transactions may be effected on the Main Market of Bursa Securities and in other jurisdictions where it is permissible to do so, in each case, in compliance with all applicable laws and regulations, including the CMSA and any regulations thereunder.

The number of Shares that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) may buy to undertake stabilising action, shall not exceed an aggregate of 45,018,400 Shares, representing 15.00% of the total number of our IPO Shares offered. However, there is no obligation on the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) to undertake such stabilising action. Such stabilising actions may commence on or after the commencement of trading of our Shares on the Main Market of Bursa Securities and, if commenced, may be discontinued at any time and cannot be effected after the earlier of:

- (i) the date falling 30 days from the commencement of trading of our Shares on the Main Market of Bursa Securities; or
- (ii) the date when the Stabilising Manager has bought, on the Main Market of Bursa Securities, an aggregate of 45,018,400 Shares, representing 15.00% of the total number of our IPO Shares offered to undertake the stabilising action.

Neither our Company, the Over-allotment Option Provider nor the Stabilising Manager makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our Shares. In addition, neither our Company, the Over-allotment Option Provider nor the Stabilising Manager makes any representation that the Stabilising Manager will engage in such transactions, or that such transactions once commenced, will be discontinued with notice (unless such notice is required by law).

4.1.7 Minimum subscription

There is no minimum subscription in terms of the proceeds to be raised from our IPO. However, the minimum subscription level in terms of the number of our IPO Shares will be the number of Shares required to be held by public shareholders for our Company to comply with the public shareholding spread requirements under the Listing Requirements or as approved by Bursa Securities. Under the Listing Requirements, we are required to have a minimum of 25.00% of the total number of our Shares in the hands of a minimum number of 1,000 public shareholders, each holding not less than 100 Shares at the point of Listing.

If the aforesaid public shareholding spread requirement is not met, we may not be able to proceed with our Listing. Please refer to Section 9.3.6 of this Prospectus for details on the risk of delay or failure of our Listing.

4. DETAILS OF OUR IPO

4.2 SHARE CAPITAL

Upon completion of our IPO, our enlarged issued share capital would be as follows:

Details	No. of Shares	RM
As at the [LPD]	907,511,425	181,501,385
New Shares to be issued pursuant to our Public Issue	113,311,600	[●] ⁽¹⁾
Entire enlarged total number of issued Shares upon Listing	1,020,823,025	[●]
Retail Price		[●]
Market capitalisation upon Listing based on the Retail Price and our entire enlarged total number of 1,020,823,025 Shares upon Listing		[●]

Note:

- (1) Computed based on the Retail Price and after deducting the estimated listing expenses of approximately RM[●] million which are directly attributable to the issuance of the Issue Shares and offset against our share capital.

As at the date of this Prospectus, we have only one class of shares, being ordinary shares.

Our Issue Shares will, upon allotment and issuance, rank equally in all respects with our existing Shares including voting rights and will be entitled to all rights, dividends and other distributions that may be declared, paid or made after the date of allotment of our Issue Shares, subject to any applicable Rules of Bursa Depository.

Subject to any special rights attached to our Shares which we may issue in the future, our shareholders shall, in proportion to the amount paid or credited on our Shares held by them, be entitled to share the profits paid out by us in the form of dividends and other distributions. Similarly, if we are liquidated, pursuant to our Constitution, our shareholders shall be entitled to the surplus (if any) after the satisfaction of any preferential payments based on the Act and our liabilities.

At our general meeting, each of our shareholders shall be entitled to vote in person, by proxy, by attorney or by duly authorised representative. Any resolution put to vote at the meeting shall be decided by way of poll. On a poll, each shareholder present either in person, by proxy, by attorney or by other duly authorised representative shall have one vote for each Share held or represented. A proxy may but need not be a member of our Company.

4. DETAILS OF OUR IPO

4.3 BASIS OF ARRIVING AT THE PRICE OF OUR IPO SHARES AND REFUND MECHANISM

4.3.1 Retail Price

The Retail Price of RM[●] per IPO Share was determined and agreed upon between our Directors, our Promoters and our Selling Shareholders, together with our Bookrunner and Underwriter, after taking into consideration the following factors:

- (i) price-to-earnings ratio of approximately [●] times based on our Group's EPS of approximately RM0.04 after taking into account our audited consolidated PAT attributable to owners of RM42.07 million for the FYE 2024 and our entire enlarged total number of 1,020,823,025 Shares upon Listing;
- (ii) our pro forma consolidated NA per Share of RM[●] as at 31 December 2024 after adjusting for the use of proceeds from our Public Issue and based on our entire enlarged total number of 1,020,823,025 Shares upon Listing;
- (iii) our operating history and financial performance as described in Sections 7.1 and 12 of this Prospectus, respectively;
- (iv) our competitive strengths as described in Section 7.5 of this Prospectus;
- (v) our business strategies and plans as set out in Section 7.19 of this Prospectus;
- (vi) industry overview and future outlook of the specialty food ingredient and food product industry as described in Section 8 of this Prospectus;
- (vii) prevailing market conditions, including market performance of key global indices and companies involved in similar business listed on Bursa Securities and regional stock exchanges, current market trends as well as investors' sentiments; and
- (viii) the market performance of Bursa Securities and anticipated demand for our IPO Shares.

The Final Retail Price will be determined after the Institutional Price is fixed, on the Price Determination Date and will be the lower of:

- (i) the Retail Price; or
- (ii) the Institutional Price.

If the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and the Final Retail Price will be refunded to the successful applicants without any interest thereon. Please refer to Section 4.3.3 of this Prospectus for further details on the refund mechanism.

The Final Retail Price and the Institutional Price will be announced within two Market Days from the Price Determination Date via Bursa Listing Information Network. In addition, all successful applicants will be given written notice of the Final Retail Price and the Institutional Price, together with the notices of allotment of our IPO Shares.

YOU SHOULD ALSO NOTE THAT THE MARKET PRICE OF OUR SHARES UPON LISTING IS SUBJECT TO THE VAGARIES OF MARKET FORCES AND OTHER UNCERTAINTIES. YOU SHOULD FORM YOUR OWN VIEWS ON THE VALUATION OF OUR IPO SHARES BEFORE DECIDING TO INVEST IN OUR SHARES. YOU ARE ALSO REMINDED TO CONSIDER THE RISK FACTORS AS SET OUT IN SECTION 9 OF THIS PROSPECTUS BEFORE DECIDING TO INVEST IN OUR SHARES.

4. DETAILS OF OUR IPO

4.3.2 Institutional Price

The Institutional Price will be determined via a bookbuilding process where prospective institutional and selected investors will be invited to bid for portions of the Institutional Offering by specifying the number of our IPO Shares they would be prepared to acquire and the price they would be prepared to pay for our IPO Shares in respect of the Institutional Offering. Upon completion of the bookbuilding process, the Institutional Price will be fixed by our Directors and the Selling Shareholders in consultation with our Bookrunner on the Price Determination Date.

4.3.3 Refund mechanism

If the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and the Final Retail Price will be refunded to the successful applicants without any interest thereon. The refund will be made:

- (i) in the form of cheques to be despatched by ordinary post to the address maintained with Bursa Depository for applications made via the Application Form; or
- (ii) by crediting into the accounts of the successful applications with the Participating Financial Institution for applications made via the Electronic Share Application or by crediting into the accounts of the successful applicants with the Internet Participating Financial Institution for applications made via the Internet Share Application,

within 10 Market Days from the date of final ballot of applications, at the successful applicants' own risk. For further details of the refund mechanism, please refer to Section 16.9 of this Prospectus.

4.4 DILUTION

Dilution is computed as the difference between our Final Retail Price paid by retail investors or Institutional Price paid by institutional and selected investors for our Shares, and our pro forma consolidated NA per Share after our IPO.

The following table illustrates the effect in our pro forma consolidated NA for each Share to our shareholders, assuming the Retail Price is equal to the Final Retail Price / Institutional Price:

		RM
Final Retail Price / Institutional Price	(A)	[•]
Pro forma consolidated NA per Share as at 31 December 2024 after the Pre-IPO Reorganisation but before our Public Issue	(B)	0.20
Pro forma consolidated NA per Share as at 31 December 2024 after the Pre-IPO Reorganisation and after adjusting for our Public Issue and the intended use of proceeds	(C)	[•]
Increase in the pro forma consolidated NA per Share attributable to existing shareholders	(C - B)	[•]
Dilution in the pro forma consolidated NA per Share to new investors	(A - C)	[•]
Dilution in the pro forma consolidated NA per Share to new investors as a percentage of our Final Retail Price / Institutional Price	(A - C) / (A)	[•]%

Please refer to Section 14 of this Prospectus for further details of our pro forma consolidated NA per Share as at 31 December 2024.

4. DETAILS OF OUR IPO

Save as disclosed below, there is no substantial disparity between the Retail Price and effective cash cost of our Shares acquired by our Promoters, Directors, substantial shareholders, Key Senior Management or persons connected with them, or any transaction entered into by them which grants them the right to acquire any of our Shares in the past three years up to the LPD:

Name	Date	No. of our Shares [A]	Total consideration [B] RM	Average price per Share [(B / A)] RM
<u>Promoter and substantial shareholder</u>				
OCSB	14 April 2025	1,000 ⁽¹⁾	100	0.10
	[•]	145,200,828 ⁽²⁾	145,200,828	1.00
	[•]	580,807,312 ⁽³⁾	-	-
		726,009,140	145,200,928	0.20
<u>Substantial shareholder</u>				
SGSB	[•]	36,300,457 ⁽²⁾	36,300,457	1.00
	[•]	145,201,828 ⁽³⁾	-	-
		181,502,285	36,300,457	0.20

Notes:

- (1) As at the incorporation of our Company.
- (2) Allotted pursuant to the Acquisition as part of the Pre-IPO Reorganisation. Please refer to Section 6.1.2.1 of this Prospectus for further details.
- (3) Allotted pursuant to the Share Split as part of the Pre-IPO Reorganisation. Please refer to Section 6.1.2.2 of this Prospectus for further details.

4.5 USE OF PROCEEDS

We will utilise the total gross proceeds of approximately RM[•] million from our Public Issue in the following manner:

Utilisation of proceeds		Amount of proceeds (RM'000)		Estimated timeframe for utilisation from the date of our Listing
			%	
Capital expenditure:				
(i)	Establishment of our New Factory	[•]	[•]	Within 30 months
(ii)	Purchase of new machinery and equipment for expansion	[•]	[•]	Within 30 months

4. DETAILS OF OUR IPO

Utilisation of proceeds	Amount of proceeds		Estimated timeframe for utilisation from the date of our Listing
	(RM'000)	%	
(iii) Investment in IT and automation systems	[●]	[●]	Within 12 months
Repayment of bank borrowings	[●]	[●]	Within one month
Working capital	[●]	[●]	Within two months
Defray listing expenses	[●]	[●]	Immediate
Total	[●]	100.00	

Note:

- (1) Based on the assumption that the Institutional Price and Final Retail Price will be equal to the Retail Price.

If the actual proceeds are lower than budgeted above, the proceeds shall be allocated in accordance with the following order of priority:

- (i) firstly, for our listing expenses as disclosed in Section 4.5.4 of this Prospectus;
- (ii) secondly, for our capital expenditure as disclosed in Section 4.5.1 of this Prospectus.
- (iii) thirdly, to repay our bank borrowings as disclosed in Section 4.5.2 of this Prospectus; and
- (iv) lastly, for our working capital as disclosed in Section 4.5.3 of this Prospectus.

If the actual proceeds are higher than budgeted above, the excess will be used towards the establishment of our New Factory and/or working capital. Any shortfall to any of the above allocated proceeds will be funded through our internally generated funds and/or bank borrowings.

Pending the eventual utilisation of the proceeds from our Public Issue for the above intended purposes, we intend to place the proceeds raised (including accrued interest, if any) or the balance thereof in interest-bearing accounts with licenced financial institutions in Malaysia and/or money market deposit instruments / funds.

Our Company will not receive any proceeds from the Offer for Sale. The Offer for Sale will raise gross proceeds of approximately RM[●] million based on the Retail Price, which will accrue entirely to the Selling Shareholders. The Selling Shareholders shall bear the entire incidental expenses and fees relating to the Offer for Sale, the aggregate of which is estimated to be up to approximately RM[●] million.

4.5.1 Capital expenditure

(i) Establishment of our New Factory

Our Group intends to allocate approximately RM[●] million or approximately [●]% of the gross proceeds from our Public Issue towards the establishment of our New Factory. This planned expansion is part of our Group's future plans to expand our production capabilities and diversify our product offerings, mainly in flavour and bakery enhancement products.

4. DETAILS OF OUR IPO

Our Group has identified the types of new machinery and equipment to be purchased and installed at our New Factory for the manufacturing of flavour and bakery enhancement products as set out in Note (ii) of Section 4.5.1 of this Prospectus.

The establishment of our New Factory is expected to be undertaken in two phases as set out below:

Description	Expected completion	Allocation of IPO proceeds RM'000
Phase 1		
- Acquisition of a piece of suitable land for the development of our New Factory	Fourth quarter of 2026	[●]
Phase 2		
- Construction / renovation of our New Factory	Fourth quarter of 2028	[●]
Total		[●]

As at the LPD, our Group has yet to identify a suitable piece of land to be acquired for the establishment of our New Factory. In identifying a suitable piece of land, we will assess the potential land based on criteria such as minimal operational disruptions, proximity to our existing manufacturing facilities and overall cost considerations. The land owned by our Promoters (such as the land where our SJ Warehouse is currently situated on ("**SJ Warehouse Land**")) may be aligned with our criteria. Hence, our expansion plan may involve acquiring the SJ Warehouse Land. The acquisition of any identified land for the development will only take place after the receipt of proceeds from our IPO. If applicable, our Group will procure the relevant approvals and/or make the necessary announcements on Bursa Securities as required under the Listing Requirements.

The construction of our New Factory is expected to commence after we have completed the land acquisition, and the construction period is expected to take approximately two years. Accordingly, our Group expects to complete construction in the fourth quarter of 2028. Our New Factory is expected to commence operations in the first quarter of 2029, subject to our Group obtaining the relevant approvals.

Further, our Group has carried out a financial feasibility assessment for the establishment of our New Factory that arrived at a payback period of approximately five years to recover the original cost of investment.

If the actual cost of the above planned utilisation exceeds the earmarked amount, the shortfall will be funded from our internally generated funds and/or bank borrowings. However, if the actual cost of the above planned utilisation is lower than the earmarked amount, the surplus will be used for working capital purposes.

(ii) Purchase of new machinery and equipment for expansion of manufacturing facilities

Our Group intends to allocate approximately RM[●] million or approximately [●]% of our gross proceeds raised from our Public Issue to purchase new machinery and equipment to expand our product range and capabilities.

Our Group plans to expand the production capabilities of our Kulim Factory to include the production of malt products. Further, our Group intends to purchase machinery and equipment for the manufacturing of flavour and bakery enhancement products at our New Factory.

4. DETAILS OF OUR IPO

Details of the new machinery and equipment to be purchased are as follows:

Type of machinery and equipment	Description	No. of line	Total estimated cost RM'000	Target installation date
Kulim Factory				
Process blender and associated facilities for the manufacturing of malt products	Mixing ingredients and malt drying	1	[•]	Second quarter of 2027
New Factory				
Spray dryer	Flavour drying	1	[•]	Fourth quarter of 2028
Vacuum belt dryer	Flavour drying	1	[•]	Fourth quarter of 2028
Processing tank	Flavour processing plant	1	[•]	Fourth quarter of 2028
Utilities	Steam boiler / air system / electricity and control system	1	[•] ⁽¹⁾	Fourth quarter of 2028
Dry mixing / down packing plant	Mixing of bakery enhancement products	1	[•]	Fourth quarter of 2028
Sub-total for the New Factory			[•]	
Total			[•]	

Note:

- (1) The utilities for our New Factory of RM[•] million will be funded from internally generated funds and/or bank borrowings.

As at the LPD, our Group has not placed any purchase orders for these new machinery and equipment.

If the actual cost of the above planned utilisation exceeds the earmarked amount, the shortfall will be funded from our internally generated funds and/or bank borrowings. However, if the actual cost of the above planned utilisation is lower than the earmarked amount, the surplus will be used towards the establishment of our New Factory and/or working capital.

4. DETAILS OF OUR IPO

(iii) Investment in IT and automation systems

We intend to allocate approximately RM[●] million or approximately [●]% of the proceeds from our Public Issue to invest in upgrading our IT and automation systems as detailed below:

		RM'000	Target installation date
(a)	Purchase and installation of two robotic palletisers at Spray Dryer Plant 1 and Spray Dryer Plant 2	[●]	Second quarter of 2027
(b)	Implementing a WMS for our Kulim Factory and OCSB Warehouse	[●]	Fourth quarter of 2026
Total		[●]	

Our Group intends to purchase and install two robotic palletisers for the operations at the Spray Dryer Plant 1 and Spray Dryer Plant 2. These robotic palletisers are intended to replace the existing manual labour for the lifting and stacking of finished goods. The robotic palletisers are expected to enhance efficiency and productivity, improve workplace safety, consistency in quality and precision, long-term cost efficiency and reduce our reliance on manual labour.

Currently, our warehouse operations rely on manually keying products and inventory data into our ERP system software. Our Group intends to digitalise and automate our inventory management functions. The WMS makes use of technologies such as barcode, QR code and/or RFID scanning, which are expected to improve our inventory management and facilitate faster and more accurate storage and retrieval of goods by providing improved stock visibility across our warehouse operations.

If the actual amount required for the investment in IT systems and automation exceeds the earmarked amount, the shortfall will be funded from the amount allocated for working capital, our internally generated funds and/or bank borrowings. However, if the actual amount of the above planned utilisation is lower than the earmarked amount, the surplus will be used towards the establishment of our New Factory.

4.5.2 Repayment of bank borrowings

Our Group intends to allocate RM[●] million or approximately [●]% of the total gross proceeds from our Public Issue towards part repayment of our revolving credit facilities as detailed below:

Name of financial institution / Type of facility	Interest rate	Maturity date	Outstanding amount as at the LPD (RM'000)	Proposed repayment (RM'000)
CIMB Islamic Bank Berhad / Revolving Credit-i ("RC Facility")	4.34%	July 2039	29,285	[●]

The RC Facility (bearing an effective profit rate of cost of funds plus 0.65% per annum) was obtained to part-finance and reimburse the construction of the Spray Dryer Plant 4.

4. DETAILS OF OUR IPO

As at the LPD, our Group's total existing bank borrowings amounted to approximately RM82.49 million, which comprised the following:

	RM'000
Term loans ⁽¹⁾	53,868
Hire purchase creditors	419
Bankers' acceptances	19,705
Revolving credits	8,500
Total	82,492

Note:

(1) The RC Facility has been classified as part of term loans.

The repayment of the RC Facility is expected to result in interest savings of approximately RM[●] million per annum based on the interest rate of approximately [●]% per annum as at the LPD.

The increase in the total equity of our Group from the issuance of new Shares under our Public Issue coupled with the partial repayment of the above bank borrowings is expected to reduce our overall gearing level from 0.53 times (as at 31 December 2024) to [●] times.

4.5.3 Working capital

Our Group intends to allocate approximately RM[●] million or approximately [●]% of the gross proceeds from our Public Issue for our working capital requirements, namely the purchase of input materials and packaging materials for our manufacturing operations. These input materials include oils and fats such as palm-based oils and fats, and sugar and sweeteners such as glucose syrup.

4.5.4 Defray listing expenses

The following estimated expenses and fees incidental to our Listing amounting to approximately RM[●] million or approximately [●]% shall be borne by our Company:

Expenses	RM'000	%
Professional fees ⁽¹⁾	[●]	[●]
Underwriting commission, brokerage fee and placement fee ⁽²⁾	[●]	[●]
Other fees and expenses relating to our Listing and contingencies ⁽³⁾	[●]	[●]
Regulatory fees	[●]	[●]
Total	[●]	100.00

Notes:

(1) This includes advisory and/or professional fees for, among others, our Sole Principal Adviser, solicitors, Reporting Accountants and IMR.

(2) Please refer to Section 4.6 of this Prospectus for further details on the underwriting commission, brokerage fee and placement fee.

4. DETAILS OF OUR IPO

- (3) This includes any other incidental charges or related expenses in connection with our IPO, such as printing and advertising fee, roadshow expenses, translation fees, public or investor relation consultant and funds reserved for contingency purposes.

If the actual amount required to defray the estimated listing expenses is lower than estimated, the excess will be used towards the establishment of our New Factory and/or working capital. Conversely, any excess amount required to defray the estimated listing expenses will be funded from the amount allocated for working capital and/or our internally generated funds.

4.6 BROKERAGE FEE, UNDERWRITING COMMISSION AND PLACEMENT FEE

4.6.1 Brokerage Fee

We will pay the brokerage fee in respect of our Issue Shares under the Retail Offering at the rate of 1.00% (exclusive of any applicable tax) of the Final Retail Price for all successful applications which bear the stamp of either the participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and/or the Issuing House.

Our Bookrunner is entitled to charge brokerage commission to successful applicants under the Institutional Offering. For the avoidance of doubt, such brokerage commission will be paid by successful applicants under the Institutional Offering and will not be borne by us or the Selling Shareholders.

4.6.2 Underwriting Commission

As stipulated in the Retail Underwriting Agreement, our Underwriter has agreed to underwrite 30,624,900 Issue Shares under the Retail Offering ("**Underwritten Shares**") for an underwriting commission of [●]% (exclusive of applicable tax) of the Retail Price multiplied by the total number of the Underwritten Shares.

4.6.3 Placement Fee

We and the Selling Shareholders will pay our Bookrunner a placement fee of [●]% (exclusive of applicable tax) and may pay a discretionary incentive fee of up to [●]% (exclusive of applicable tax) of the Institutional Price multiplied by the number of IPO Shares placed out to institutional and selected investors in accordance with the terms of the Placement Agreement.

4.7 DETAILS OF UNDERWRITING, PLACEMENT AND LOCK-UP ARRANGEMENT

4.7.1 Underwriting

We had on [●] entered into the Retail Underwriting Agreement with the Underwriter to underwrite 30,624,900 Issue Shares under the Retail Offering, subject to the clawback and reallocation provisions, and the Over-allotment Option as set out in Sections 4.1.5 and 4.1.6 of this Prospectus respectively and upon the terms and subject to the conditions of the Retail Underwriting Agreement.

The salient terms of the Retail Underwriting Agreement are as follows:

[●]

4. DETAILS OF OUR IPO

4.7.2 Placement

We and the Selling Shareholders expect to enter into the placement agreement with our Bookrunner in relation to the placement of up to 269,498,100 IPO Shares under the Institutional Offering, subject to the clawback and reallocation provisions, and the Over-allotment Option as set out in Sections 4.1.5 and 4.1.6 of this Prospectus respectively. We and the Selling Shareholders will be requested, on a several basis, to give various representations, warranties and undertakings, and to indemnify our Bookrunner against certain liabilities in connection with our IPO. The terms of the Placement Agreement are subject to negotiations and may include termination events that are different from those under the Retail Underwriting Agreement as set out in Section 4.7.1 of this Prospectus.

4.7.3 Lock-up arrangements

[•]

4.8 TRADING AND SETTLEMENT IN SECONDARY MARKET

Upon Listing, our Shares will be traded through Bursa Securities and settled by book-entry settlement through the CDS, which is operated by Bursa Depository. This will be effected based on the Rules of Bursa Depository and the provisions of the SICDA. Accordingly, we will not deliver share certificates to the subscribers or purchasers of our IPO Shares.

Beneficial owners of our Shares are required under the Rules of Bursa Depository to maintain our Shares in CDS Accounts, either directly in their names or through authorised nominees. Persons whose names appear in our Record of Depositors maintained by Bursa Depository will be treated as our shareholders in respect of the number of Shares credited to their respective CDS Accounts.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS Account being debited with the number of Shares sold and the buyer's CDS Account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis, although there is a nominal transfer fees of RM10 payable for each transfer not transacted on the market.

Shares held in CDS Accounts may not be withdrawn from the CDS except in the following instances:

- (i) to facilitate a share buy-back;
- (ii) to facilitate conversion of debt securities;
- (iii) to facilitate company restructuring process;
- (iv) where a body corporate is removed from the Official List;
- (v) to facilitate a rectification of any error; and
- (vi) in any other circumstances as determined by Bursa Depository from time to time, after consultation with the SC.

Trading of shares of companies listed on Bursa Securities is normally done in "board lots" of 100 shares. Investors who desire to trade less than 100 shares are required to trade under the odd lot market. Settlement and payment of trades done on a "ready" basis on Bursa Securities generally takes place on the second Market Day following the transaction date.

Subscribers of our Shares will not be able to sell or otherwise deal in our Shares (except by way of a book-entry transfer to other CDS Account in circumstances which do not involve a change in beneficial ownership) before the commencement of trading on Bursa Securities.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

5.1 OUR PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Shareholdings of our Promoters and substantial shareholders

Details of our Promoters' and substantial shareholders' shareholdings in our Company before and after our IPO are as follows:

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

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

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

Notes:

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

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

Our Promoters and substantial shareholders do not have different voting rights from other shareholders of our Company.

Save as disclosed above, there are no persons who are able to directly, or indirectly, jointly or severally, exercise control over our Company. As at the LPD, there is no arrangement between any third parties, and our Company, our Promoters and our substantial shareholders, which may at a subsequent date result in the change in control of our Company.

5.1.2 Profiles of our Promoters and substantial shareholders

The profiles of our Promoters and substantial shareholders are as follows:

(i) **Dato' Saw**

Promoter, substantial shareholder and Managing Director

Dato' Saw, a Malaysian male aged 56, is the co-founder of our Group. He has more than 30 years of work experience in the food ingredients and food products industry. He was appointed to our Board on 14 April 2025 and is a member of our Sustainability and Risk Management Committee.

He graduated from California State University, Fresno, United States of America with a Bachelor of Science in Business Administration – Accountancy Option in May 1992.

He began his career in July 1992, when he set up Family Cereal, a company that was principally involved in the manufacturing of malt and cereal products, where he was responsible for the overall management of the company until the company's manufacturing business was acquired by CFI in 2022.

After setting up Family Cereal, Dato' Saw together with his father, Saw Ee Chee, co-founded CFI in August 1999. He was primarily responsible for CFI's joint venture with Food Empire and its commencement of operations in the manufacturing of non-dairy creamers in 2001 before CFI disposed of its property and business assets in 2004. Dato' Saw led the resurrection of CFI's operations in 2007 by venturing into the trading of malt products before the manufacturing of non-dairy creamers in 2012. He has led the management team to grow our Group's business and is responsible for spearheading and overseeing the overall direction of our Group.

As at the LPD, he is also a director and shareholder of several private limited companies as disclosed in Section 5.2.3 of this Prospectus. Currently, he does not hold any directorship in any other public listed company.

(ii) **OCSB**

Promoter and substantial shareholder

OCSB was incorporated in Malaysia under the Companies Act 2016 on 4 January 1992 as a private company limited by shares. The registered office address of OCSB is Suite 1, 2nd Floor, Wisma Lister Garden, 123 Jalan Macalister, Georgetown, Pulau Pinang, Malaysia.

The principal activity of OCSB is investment holding.

As at the LPD:

- (a) the issued share capital of OCSB is RM100,000.00 comprising 100,000 ordinary shares;

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

- (b) the directors of OCSB as at the LPD are Saw Ee Chee, Dato' Saw, Saw Benson and Saw Beng Kian. Dato' Saw, Saw Benson and Saw Beng Kian are siblings, and children of Saw Ee Chee; and
- (c) the shareholders of OCSB and their respective direct and indirect shareholdings OCSB are as follows:

Shareholder	Direct		Indirect	
	No. of shares	%	No. of shares	%
Dato' Saw	33,333	33.33	-	-
Saw Benson	33,333	33.33	-	-
Saw Ee Chee	33,334	33.34	-	-

- (d) the beneficial owners of OCSB are Saw Ee Chee, Dato' Saw and Saw Benson.

(iii) SGSB

Substantial shareholder

SGSB was incorporated in Malaysia on 5 November 2021 as a private company limited by shares. The registered office address of SGSB is Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South No. 8, Jalan Kerinchi, Wilayah Persekutuan Kuala Lumpur, Malaysia.

The principal activity of SGSB is investment holding.

As at the LPD:

- (a) the issued share capital of SGSB is RM2.00, comprising 2 ordinary shares;
- (b) the directors of SGSB are Yoong Tai Mai ⁽¹⁾ and Michelle Ng Huey Nah ⁽²⁾; and

Notes:

- (1) Yoong Tai Mai is the Chief Financial Officer and Managing Director of Creador Sdn Bhd ("**Creador**") where she leads the finance and operations teams, overseeing the Creador's finance, accounting, investor reporting, and compliance functions.
- (2) Michelle Ng Huey Nah is the Senior Vice President of Creador and a key member of Creador's finance team where she supports the Chief Financial Officer of Creador in overseeing the finance and administration of Creador.
- (c) the shareholders of SGSB and their respective direct and indirect shareholdings in SGSB are as follows:

	Direct		Indirect	
	No. of shares	%	No. of shares	%
Polvere Group Sdn Bhd	2	100.00	-	-
Rajaraja Chola Limited	-	-	2 ⁽¹⁾	100.00
Creador V	-	-	2 ⁽²⁾	100.00

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

Notes:

- (1) Deemed interested by virtue of its interest in Polvere Group Sdn Bhd pursuant to Section 8(4) of the Act.
- (2) Deemed interested by virtue of Section 8(4) of the Act held through Polvere Group Sdn Bhd and Rajaraja Chola Limited.

A relief was sought from having to disclose the ultimate beneficial owners of SGSB in this Prospectus. Please refer to Section 2.1.1 of this Prospectus for further details.

(iv) **Polvere Group Sdn Bhd** *Substantial shareholder*

Polvere Group Sdn Bhd was incorporated in Malaysia on 13 January 2022 as a private company limited by shares. The registered office address of Polvere Group Sdn Bhd is Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South No. 8, Jalan Kerinchi, Wilayah Persekutuan Kuala Lumpur, Malaysia.

The principal activity of Polvere Group Sdn Bhd is investment holding.
As at the LPD:

- (a) the issued share capital of Polvere Group Sdn Bhd is RM2.00 comprising 2 ordinary shares;
- (b) the directors of Polvere Group Sdn Bhd are Yoong Tai Mai and Michelle Ng Huey Nah; and
- (c) the shareholders of Polvere Group Sdn Bhd and their respective direct and indirect shareholdings in Polvere Group Sdn Bhd are as follows:

Shareholders	Direct		Indirect	
	No. of shares	%	No. of shares	%
Rajaraja Chola Limited	2	100	-	-
Creador V	-	-	2 ⁽¹⁾	100

Note:

- (1) Deemed interested by virtue of its interest in Rajaraja Chola Limited pursuant to Section 8(4) of the Act.

(v) **Rajaraja Chola Limited** *Substantial shareholder*

Rajaraja Chola Limited was incorporated in the British Virgin Islands on 13 July 2021 as a company limited by shares. The registered office address of Rajaraja Chola Limited is Tortola Pier Park, Building 1, Second Floor, Wickhams Cay I, Road Town, Tortola, British Virgin Islands.

The principal activity of Rajaraja Chola Limited is investment holding.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD:

- (a) the issued share capital of Rajaraja Chola Limited is USD55,000 comprising 55,000 ordinary shares;
- (b) the director of Rajaraja Chola Limited is Yoong Tai Mai; and
- (c) the shareholders of Rajaraja Chola Limited and their respective direct and indirect shareholdings in Rajaraja Chola Limited are as follows:

Shareholders	Direct		Indirect	
	No. of shares	%	No. of shares	%
Creador V	45,925	83.50	-	-
Malvaceae L.P. ⁽¹⁾	9,075	16.50	-	-

Note:

- (1) Malvaceae L.P. was incorporated in the Republic of Mauritius on 10 March 2022 as a limited partnership form under the laws of the Republic of Mauritius and licensed by the Financial Services Commission of the Republic of Mauritius. The registered office address of Malvaceae L.P. is Level 6, Two Tribeca, Tribeca Central, Trianon 72261, Mauritius.

Malvaceae L.P. is managed by a fund manager, namely Creador Management V Ltd which is responsible for the conduct and affairs of Malvaceae L.P.. Accordingly, Creador Management V Ltd manages the portfolio investments of Malvaceae L.P. which includes its investment in our Company through Rajaraja Chola Limited, Polvere Group Sdn Bhd and SGSB. Please refer to Section 5.1.2 of this Prospectus for further details on Creador Management V Ltd.

Malvaceae L.P.'s interest in its investee companies including our Company, is for investment purposes only where it does not participate in the day-to-day management and operations of such investee companies.

As at the LPD, Malvaceae L.P. is funded from its sole limited partner. The limited partner in Malvaceae L.P. (in their capacity as such) has no control or ability to participate in the management of Malvaceae L.P.'s investee companies, including Rajaraja Chola Limited, Polvere Group Sdn Bhd, SGSB and our Company.

(vi) Creador V
Substantial shareholder

Creador V was incorporated in the Republic of Mauritius on 29 June 2021 as a limited partnership under the laws of the Republic of Mauritius and licensed by the Financial Services Commission of the Republic of Mauritius to operate as a closed-end fund. The registered office address of Creador V. is Level 6, Two Tribeca, Tribeca Central, Trianon 72261, Mauritius. Creador V is managed by a fund manager, namely Creador Management V Ltd which is responsible for the conduct and affairs of Creador V.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

Creador Management V Ltd is formed under the laws of the Republic of Mauritius as a private company limited by shares with limited life and holds a collective investment scheme manager licence granted by the Financial Services Commission of the Republic of Mauritius. Accordingly, Creador Management V Ltd exclusively manages the portfolio investments of Creador V which includes its investment in our Company through Rajaraja Chola Limited, Polvere Group Sdn Bhd and SGSB.

Creador V's interest in its investee companies including our Company, is for investment purposes only where it does not participate in the day-to-day management and operations of such investee companies.

As at the LPD, Creador V is diversely owned by 90 limited partners (out of which 12 limited partners are associated with or connected to the Creador Persons which include institutions such as corporates, university endowment funds, pension funds, fund of funds, financial institutions, foundations, not-for-profit organisations and family offices from North America, Europe and Asia, with partnership interests ranging from 0.01% to 10.71%.

No single partner of Creador V (in their capacity as limited partners), has any control over, or the ability to participate in, the management of Creador V or its investee companies, including Rajaraja Chola Limited, Polvere Group Sdn Bhd, SGSB and our Company.

(vii) **Saw Benson**

Substantial shareholder and Non-Independent Non-Executive Director

Saw Benson, a Malaysian male aged 51, has more than 20 years of work experience in architecture and design. He was appointed to our Board on 14 April 2025 and is a member of our Nominating and Remuneration Committee.

He graduated with a Bachelor of Science in Mechanical Engineering from the Boston University, Massachusetts, United States in May 1996.

In 1997, he began his career with Motorola Solutions Malaysia Sdn Bhd as a Research & Development Mechanical Engineer where he was responsible for product development before leaving in 1999 to pursue his personal interest. Subsequently, he co-founded Voon Wong & Benson Saw Ltd, a multi-disciplinary design studio based in London, United Kingdom involving architecture, interior and industrial design and assumed his current position as director in September 2002. He then also started another interior architectural and design company in Malaysia in June 2006 by co-founding Designstream Sdn Bhd, where he is currently the director.

As at the LPD, he is also a director and shareholder of several private limited companies as disclosed in Section 5.2.3 of this Prospectus. Currently, he does not hold any directorship in any other public listed company.

(viii) **Saw Ee Chee**

Substantial shareholder

Saw Ee Chee, a Malaysian male aged 93, is our substantial shareholder via his shareholding in OCSB. As at the LPD, he does not hold any directorship in any companies in our Group. He has a medical condition since October 2023 that has rendered him bedridden and unable to do any daily activity and is currently receiving full nursing care in a nursing home.

Please refer to Section 2.1.1 of this Prospectus wherein a relief was sought from the SC from having to disclose the profile/background information of Saw Ee Chee.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

5.1.3 Changes in our Promoters' and substantial shareholders' shareholding in our Company

The changes in our Promoters' and substantial shareholders' shareholdings in our Company since our incorporation up to the LPD are set out below:

Name	As at incorporation				As at the [LPD] ⁽¹⁾			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<u>Promoters and substantial shareholders</u>								
OCSB	1,000	100.0	-	-	726,009,140	80.00	-	-
Dato' Saw	-	-	1,000 ⁽²⁾	100.00	-	-	726,009,140 ⁽²⁾	80.00
<u>Substantial shareholders</u>								
Saw Benson	-	-	1,000 ⁽²⁾	100.00	-	-	726,009,140 ⁽²⁾	80.00
Saw Ee Chee	-	-	1,000 ⁽²⁾	100.00	-	-	726,009,140 ⁽²⁾	80.00
SGSB	-	-	-	-	181,502,285	20.00	-	-
Polvere Group Sdn Bhd	-	-	-	-	-	-	181,502,285 ⁽³⁾	20.00
Rajaraja Chola Limited	-	-	-	-	-	-	181,502,285 ⁽⁴⁾	20.00
Creador V	-	-	-	-	-	-	181,502,285 ⁽⁵⁾	20.00

Notes:

- (1) Based on our total number of 907,511,425 Shares as at the [LPD].
- (2) Deemed interested by virtue of Section 8(4) of the Act held through OCSB.
- (3) Deemed interested by virtue of Section 8(4) of the Act held through SGSB.
- (4) Deemed interested by virtue of Section 8(4) of the Act held through SGSB and Polvere Group Sdn Bhd.
- (5) Deemed interested by virtue of Section 8(4) of the Act held through SGSB, Polvere Group Sdn Bhd and Rajaraja Chola Limited.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

5.1.4 Amounts or benefits paid or intended to be paid or given to our Promoters and substantial shareholders

Save as (i) disclosed below, (ii) the issuance of our Shares as consideration pursuant to the Acquisition as disclosed in Section 6.1.2.1 of this Prospectus, (iii) the aggregate remuneration and benefits-in-kind paid and proposed to be paid to our Promoters and substantial shareholders for services rendered to our Group as set out in Section 5.2.4 of this Prospectus, and (iv) the amounts transacted with OCSB and its group of companies as disclosed in Section 10.1.1 of this Prospectus, there are no other amounts or benefits that have been paid or intended to be paid to our Promoters and substantial shareholders within the two years preceding the date of this Prospectus:

- (i) dividends paid to OCSB of RM10.96 million;
- (ii) dividends paid to SGSB of RM2.74 million; and
- (iii) aggregate remuneration and benefits-in-kind paid to Saw Ee Chee of RM0.17 million.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

5.2 BOARD OF DIRECTORS

5.2.1 Shareholdings of our Directors

The shareholdings of our Directors before and after our IPO are as follows:

Directors	Nationality	As at the [LPD] and before our IPO ⁽¹⁾			
		Direct		Indirect	
		No. of Shares	%	No. of Shares	%
Chua Hooi Luan	Malaysian	-	-	-	-
Dato' Saw	Malaysian	-	-	726,009,140 ⁽³⁾	80.00
Saw Benson	Malaysian	-	-	726,009,140 ⁽³⁾	80.00
Lum Ying Ling	Malaysian	-	-	-	-
Lee Seow Ling	Malaysian	-	-	-	-
Khoo Choon Keat	Malaysian	-	-	-	-
Chung Wei Leng	Malaysian	-	-	-	-

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

Directors	Nationality	After our IPO ⁽²⁾							
		Assuming the Over-allotment Option is not exercised				Assuming the Over-allotment Option is fully exercised			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Chua Hooi Luan	Malaysian	270,000	0.03	-	-	270,000	0.03	-	-
Dato' Saw	Malaysian	-	-	669,863,638 ⁽³⁾	65.62	-	-	624,845,238 ⁽³⁾	61.21
Saw Benson	Malaysian	-	-	669,863,638 ⁽³⁾	65.62	-	-	624,845,238 ⁽³⁾	61.21
Lum Ying Ling	Malaysian	-	-	-	-	-	-	-	-
Lee Seow Ling	Malaysian	250,000	0.02	-	-	250,000	0.02	-	-
Khoo Choon Keat	Malaysian	250,000	0.02	-	-	250,000	0.02	-	-
Chung Wei Leng	Malaysian	250,000	0.02	-	-	250,000	0.02	-	-

Notes:

- (1) Based on our total number of 907,511,425 Shares as at the [LPD].
- (2) Based on our entire enlarged total number of 1,020,823,025 Shares after our IPO and assuming full subscription of IPO Shares reserved under the Pink Form Allocation.
- (3) Deemed interested by virtue of Section 8(4) of the Act held through OCSB.

Our Directors (save for Dato' Saw and Saw Benson) may subscribe for excess IPO Shares under Pink Form Allocation and Public Issue.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

5.2.2 Profiles of Directors

Please refer to Section 5.1.2 of this Prospectus for the profiles of Dato' Saw and Saw Benson. The profiles of our other Directors are as follows:

(i) Chua Hooi Luan
Independent Non-Executive Chairman

Chua Hooi Luan, a Malaysian female aged 61, has more than 30 years of work experience in audit, accounting and corporate finance. She was appointed to our Board on 21 July 2025.

She graduated from the University of Malaya with a Bachelor of Accounting in September 1988. She is a member of the Malaysian Institute of Certified Public Accountants (MICPA) since 1992.

She commenced her career with KPMG Peat Marwick in April 1988 as an Audit Assistant where she assisted in various audit assignments. She was subsequently promoted to Audit Senior in January 1991. She left the firm in June 1991.

In July 1991, she joined Berjaya Corporation Berhad as Internal Auditor where she was responsible for the company's internal audit work as well as planning and designing of its audit timetable programme.

In January 1992, she left Berjaya Corporation Berhad to join Malaysian International Merchant Bankers Berhad ("**MIMB**") as an Officer in the corporate finance department. During her tenure with MIMB, she was responsible for implementing corporate proposals for various corporate exercises which included initial public offerings, capital fund raisings, cross border merger and acquisition transactions and other corporate exercises. She was promoted several times while with MIMB, and she left MIMB in October 1997 as Assistant General Manager.

In November 1997, she joined Leader Universal Holdings Berhad, a company involved in the manufacturing and sale of telecommunication and power cables, as General Manager. Her responsibilities include corporate planning and credit control for the company. She subsequently left the company in March 2004 and took a career break.

In August 2004, she joined Kenanga Investment Bank Berhad as Senior Manager where she was responsible for overseeing corporate finance-related work. She subsequently left the company in December 2007 and took a career break.

In June 2008, she rejoined Leader Universal Holdings Berhad as General Manager where she was responsible for overseeing the corporate finance function of the company and its group of companies. She was subsequently transferred to HNG Capital Sdn Bhd to assume the position of a Senior General Manager (Corporate Finance) upon the delisting and privatisation of Leader Universal Holdings Berhad in July 2012. She was later promoted to Deputy Group Chief Financial Officer in January 2016, a position she holds to date, where she oversees all finance-related matters of the company and its group of companies. Since 30 June 2022, she has also been serving as an Independent Non-Executive Director of Asia File Corporation Berhad, a public listed company on Bursa Securities.

Since June 2022, she has also been serving as an Independent Non-Executive Director of Asia File Corporation Berhad, a public company listed on Bursa Securities, and is currently the Chairwoman of its Audit Committee and Nomination & Remuneration Committee.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, she is also an Independent Non-Executive Director of THMY Holdings Berhad, a public company seeking listing on Bursa Securities as disclosed in Section 5.2.3 of this Prospectus.

(ii) **Lum Ying Ling** *Non-Independent Non-Executive Director*

Lum Ying Ling, a Malaysian female aged 35, has more than 10 years of work experience with eight years in consulting, strategy and analytics, and five years in investment. She was appointed to our Board on 21 July 2025.

She graduated with First Class Honours in a Bachelor of Science (Applied Accounting) from Oxford Brookes University, United Kingdom, in March 2011. She was admitted as a member of the Association of Chartered Certified Accountants (“ACCA”) in February 2017 and is a Fellow of the ACCA since February 2022.

She began her career as Associate with The Boston Consulting Group Sdn Bhd (“BCG”) in October 2012. In December 2015, she was transferred to The Boston Consulting Group Pty Ltd in Sydney, Australia to facilitate her secondment to Cape York Partnership, a non-profit organisation that works to empower the indigenous communities in Australia, for a period of 16 months. Thereafter, she returned to BCG in April 2017 after the end of her secondment. During her tenure with BCG, she rose through the ranks with her last position being Project Leader in the retail and consumer industry prior to her departure from BCG in March 2019. As a Project Leader, she was primarily responsible for leading teams to deliver clients’ engagements across Southeast Asia. In March 2019, she joined iflix Sdn Bhd as the Director of Content Strategy and Analytics, where she analysed user data to assess the types of media content suitable for the platform’s target audience. She left the company in May 2020 and took a career break.

In August 2020, she joined Creador Sdn Bhd as Vice President and was subsequently promoted to Senior Vice President in July 2023 and Director in October 2024. She partners with portfolio companies to drive initiatives that create commercial and strategic advantage for sustainable value creation. Since 1 April 2024, she has also been serving as a Non-Independent Non-Executive Director of Eco-Shop Marketing Berhad, a public listed company on Bursa Securities.

Since April 2023, she has also been serving as a Non-Independent Non-Executive Director of Eco-Shop Marketing Berhad, a public company listed on Bursa Securities.

As at the LPD, she is also a Non-Independent Non-Executive Director of Loob Berhad, a public company seeking listing on Bursa Securities, and a director and shareholder of several private limited companies, as disclosed in Section 5.2.3 of this Prospectus.

(iii) **Lee Seow Ling** *Independent Non-Executive Director*

Lee Seow Ling, a Malaysian female aged 55 years old, has more than 30 years of work experience in financial reporting and accounting. She was appointed to our Board on 21 July 2025 and is the Chairman of our Audit Committee, and a member of our Nominating and Remuneration Committee.

She graduated from Charles Sturt University, New South Wales, Australia with a Bachelor of Business in Accountancy in April 1993. She is a Certified Practising Accountant of the Australian Society of Certified Practising Accountant (CPA Australia) since October 1996. She is also a Chartered Accountant of Malaysian Institute of Accountants (MIA) since March 2024.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

She began her career in April 1993 as Audit Assistant in Kiat & Associates where she was involved in assisting clients in setting up their accounting and financial information systems as well as computerised accounting systems. She left Kiat & Associates in April 1995 and took a career break prior to joining THB Industries Sdn Bhd (now known as Kobay Technology Berhad) in September 1995 as Accounts and Admin Officer where she was responsible for preparing monthly financial reports.

Subsequently in January 1997, she was promoted to Accountant, where her role was expanded to include review of group consolidated accounts. In 1997, she also assisted in the listing process of Kobay Technology Berhad on the Main Board of Kuala Lumpur Stock Exchange (now known as Main Market of Bursa Securities). In January 2004, she was promoted to Group Accountant, where she was responsible for overseeing the financial reporting of the group. She was subsequently promoted to Senior Group Accountant in February 2023, a position she currently holds.

Since September 2023, she has also been serving as an Independent Non-Executive Director of Agricore CS Holdings Berhad, a public listed company on Bursa Securities, and is currently the Chairwoman of its Remuneration Committee and a member of its Audit and Risk Management Committee.

As at the LPD, she does not hold any directorships or shares in other private limited companies as disclosed in Section 5.2.3 of this Prospectus.

(iv) **Khoo Choon Keat** *Independent Non-Executive Director*

Khoo Choon Keat, a Malaysian male aged 62, has over 30 years of work experience in a wide spectrum of corporate services including tax, audit and business consultancy. He was appointed to our Board on 21 July 2025 and is the Chairman of our Nominating and Remuneration Committee, and a member of our Audit Committee and Sustainability and Risk Management Committee.

He graduated from the University of Malaya with a Bachelor of Accounting in September 1988. He is a member of the Malaysian Institute of Certified Public Accountants (MICPA) since January 1992 and the Malaysian Institute of Accountants ("MIA") since January 1992. He is also a Chartered Accountant of the MIA since June 2001. In addition, he was admitted as an Associate of the Malaysia Institute of Taxation (now known as the Chartered Tax Institute of Malaysia ("CTIM")) in July 1997 and is a Fellow Member of the CTIM since 2006. In September 2002, he became a Member of the Financial Planning Association of Malaysia.

In 1988, he commenced his career as a tax consultant in Price Waterhouse (now known as PricewaterhouseCoopers PLT) in Penang, focusing on tax compliance services. He left Price Waterhouse in 1992 and joined Toyo Audio Co (Malaysia) Sdn Bhd, a company which was previously under the Sony Group, as an Assistant Manager of the accounts department, where he was responsible for the company's accounting and treasury functions. He subsequently left the company in 1993 and joined Russ Ooi & Associates in the same year as an Audit Manager, where he was responsible for overseeing the audit and tax divisions until his departure in 1996.

Subsequent to his resignation from Russ Ooi & Associates in 1996, he joined SFW & Associates PLT (then known as SF Wong & Associates PLT) as a Partner, where he was responsible for managing the audit and tax divisions for the Penang branch office, as well as building and maintaining client relationships. During his tenure at SFW & Associates PLT, he also became a director of a related company, namely SF Wong Consultancy Services (PG) Sdn Bhd in July 1999, a company principally involved in provision of tax advisory and services.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

In April 2002, he left SFW & Associates PLT and took over SF Wong Consultancy Services (PG) Sdn Bhd (which was subsequently renamed KCK Consultancy Services Sdn Bhd), a company principally involved in provision of tax advisory and services. In the ensuing years, he then continued his business ventures through several entities under the umbrella of "KCK Group, which include: (i) KCK Business Solutions Sdn Bhd which is principally involved in business management and consultancy services; and (ii) KCK & Associates PLT which is principally involved in provision of auditing services. He is currently the Managing Partner of KCK Group, where he is involved in overseeing the operations of KCK Group as well as formulating and spearheading the overall strategic direction of KCK Group.

As at the LPD, he is an Independent Non-Executive Director of Golden Destinations Group Berhad, a public company seeking listing on Bursa Securities, and a director and shareholder of several private limited companies as disclosed in Section 5.2.3 of this Prospectus.

(v) Chung Wei Leng
Independent Non-Executive Director

Chung Wei Leng, a Malaysian female aged 43, has more than 10 years of work experience as a practicing lawyer covering conveyancing, corporate litigation and intellectual property matters. She was appointed to our Board on 21 July 2025 and is the Chairman of our Sustainability and Risk Management Committee, and a member of our Audit Committee.

She graduated from the University of London with a Bachelor of Laws in August 2006 and obtained a Certificate of Legal Practice from Brickfields Asia College in 2007. She has been an advocate and solicitor of the High Court of Malaya and a member of the Malaysian Bar since October 2008.

She is a qualified member of the Chartered Institute of Arbitrators since 2015 and the Malaysian Institute of Arbitrators since 2016. She is also an accredited mediator of the Malaysian Mediation Centre since 2019 and a Certified Patent Valuation Analyst with the Business Development Academy since 2022. Additionally, she is also a Registered Patent, Trademark and Industrial Design Agent, accredited by the MyIPO.

She chambered at Messrs. Ooi Lee & Co from December 2007 and served as a legal associate until October 2009. She subsequently joined Messrs. Ajmer Shandhu & Ong briefly as a legal associate before joining Messrs. Wong-Chooi & Mohd. Nor as a legal associate in December 2009, where she handled, among others, conveyancing, corporate and litigation matters. She subsequently left the firm in August 2010 and took a career break.

She joined Test Tooling Solutions (M) Sdn Bhd as the Head of Legal Department, overseeing the company's legal affairs from March 2011 to November 2012. She then resumed practice and joined Messrs. S.K. Goh, Chan & Co. as a legal associate from January 2013 to May 2014, where she was responsible for managing conveyancing, corporate and litigation portfolios.

In May 2014, she founded Chung Chambers, a boutique legal firm based in Penang, Malaysia, where she assumed her current position as Managing Partner. Her practice focuses primarily on intellectual property and corporate-related matters.

As at the LPD, she is also a director and shareholder of several public and private limited companies as disclosed in Section 5.2.3 of this Prospectus, and she does not hold any directorship in any other public listed company.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

5.2.3 Principal directorships and business activities of our Directors outside our Group

The following table sets out our Directors' principal directorships and principal business activities outside our Group as at the LPD ("Present Involvement"), and principal directorships outside our Group for the past five years preceding the LPD ("Past Involvement"):

(i) Chua Hooi Luan

Name of company	Principal activities	Involvement in business activities	Directorship		Nature of shareholding
			Date of appointment	Date of resignation	
<u>Present Involvement</u>					
THMY Holdings Berhad	Investment holding company. Its subsidiary is principally involved in the provision of automated test solutions for electrical and electronics products, with end-use in various industries	Independent Non-Executive Director	14 February 2025	-	-
Asia File Corporation Berhad	Investment holding, commission agent and provider of management services. Its subsidiaries are principally involved in the manufacturing and trading of stationery products, paper and plastic-based related products and consumer and food wares products	Independent Non-Executive Director	30 June 2022	-	-
<u>Past Involvement</u>					
Alpha Industries Sdn Bhd	Manufacturing of electrical conductor grade copper rods and wires	Director	7 March 2023	26 August 2025	-
Bumiputera and Technology Venture Capital Sdn Bhd	Provision of venture capital to Bumiputera and other joint venture companies <i>(As at the LPD, the company is in the midst of winding up)</i>	Director	17 June 2011	-	-

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

(ii) Dato' Saw

Name of company	Principal activities	Involvement in business activities	Directorship		Nature of shareholding
			Date of appointment	Date of resignation	
<u>Present Involvement</u>					
Family Cereal	Renting of properties and investment holding (investment in shares and properties)	Director and shareholder	28 July 1992	-	Substantial shareholder (indirect) ⁽¹⁾
Mylar	Renting of properties and investment holding (investment in shares and properties)	Director and shareholder	14 June 1994	-	Substantial shareholder (indirect) ⁽²⁾
PC Craft Sdn Bhd	Investment holding (investment in property) and renting of properties	Director and shareholder	12 December 2006	-	Substantial shareholder (direct)
Oriental Graphics Sdn Bhd	Renting of premises, printing activities and selling of hampers, flowers and gifts, online order and delivery services for hampers, flowers, gifts etc.	Director and shareholder	11 March 1994	-	Substantial shareholder (indirect) ⁽²⁾
OCSB	Investment holding (investment in shares)	Director and shareholder	17 March 1992	-	Substantial shareholder (direct)
Yorker Sdn Bhd	Renting of properties and investment holding company (investment in shares and property)	Director and shareholder	11 June 2004	-	Substantial shareholder (indirect) ⁽²⁾
Sim Bee Sawmill Company Sdn Bhd	Investment holding (investment in property)	Director and shareholder	14 August 1996	-	Substantial shareholder (indirect) ⁽²⁾

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

Name of company	Principal activities	Involvement in business activities	Directorship		Nature of shareholding
			Date of appointment	Date of resignation	
Saw Ee Chee Sdn Bhd	Investment holding (investment in shares and properties)	Director and shareholder	3 May 1999	-	Substantial Shareholder (direct)
Richfund Sdn Bhd	Money lending and investment holding (investment in shares), general trading and providing services	Director	5 August 2015	-	-
Family NutriFoods Sdn Bhd	Trading company in wide range of food ingredients, such as instant malt extract powder, malted beverages powder, instant malt extract cereal, cereal flakes, and cereal powder. (Currently dormant)	Director and shareholder	15 June 2016	-	Substantial shareholder (indirect) ⁽³⁾
GG-410-016 Limited	Other letting and operating of own or leased real estate	Director and shareholder	27 October 2019	-	Substantial shareholder (direct)
GG-071-916 Limited	Other letting and operating of own or leased real estate	Director and shareholder	28 October 2019	-	Substantial shareholder (direct)
Oriental Group Investment Limited	Investment holding in shares	Director and shareholder	6 May 1995	-	Substantial shareholder (direct)
Oriental Concept (China) Limited	Investment holding in shares (Currently dormant)	Director and Shareholder	21 October 1998	-	Substantial shareholder (direct)
Oriental Group Investment Pte Ltd	Activities of holding company in shares and/or properties (Currently dormant)	Director and shareholder	31 May 2023	-	Substantial shareholder (direct)

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

Name of company	Principal activities	Involvement in business activities	Directorship		Nature of shareholding
			Date of appointment	Date of resignation	
Ernsts Foods (ShenZhen) Co., Ltd	Sales of food (pre-packaged food) and food additives, import and export of goods, technology and food	Shareholder	12 April 1995	19 June 2025	Substantial shareholder (indirect) ⁽²⁾
Culture Quest Sdn Bhd	Real estate and investment holding (investment in shares)	Director	16 August 2004	-	-
	<i>(As at the LPD, the company is in the midst of winding up)</i>				

Past Involvement

Custom Food Group Berhad	Investment holding (investment in shares)	Director	18 February 2019	-	-
	<i>(Dissolved on 8 September 2025)</i>				
Merk Process Asia Sdn Bhd	Plant designer and manufacturer of vacuum drying plants	Director	3 September 2007	-	-
	<i>(Dissolved on 16 July 2025)</i>				

Notes:

- (1) Deemed interested by virtue of Section 8(4) of the Act held through Mylar and OCSB.
- (2) Deemed interested by virtue of Section 8(4) of the Act held through OCSB.
- (3) Deemed interested by virtue of Section 8(4) of the Act held through Family Cereal, Mylar and OCSB.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

(iii) Saw Benson

Name of company	Principal activities	Involvement in business activities	Directorship		Nature of shareholding
			Date of appointment	Date of resignation	
<u>Present Involvement</u>					
Family NutriFoods Sdn Bhd	Trading company in wide range of food ingredients, such as instant malt extract powder, malted beverages powder, instant malt extract cereal, cereal flakes, and cereal powder. (Currently dormant)	Director and shareholder	1 November 2021	-	Substantial shareholder (indirect) ⁽¹⁾
Family Cereal	Renting of properties and investment holding (investment in shares and properties)	Director and shareholder	10 June 2004	-	Substantial shareholder (indirect) ⁽²⁾
Mylar	Investment holding (investment in shares and properties)	Director and shareholder	27 August 2009	-	Substantial shareholder (indirect) ⁽³⁾
Designstream Sdn Bhd	Architects and interior design consultants; design and build, renovation, construction of any and all types of building; retail sales of household furniture	Director and shareholder	22 June 2006	-	Substantial shareholder (direct)
OCSB	Investment holding (investment in shares)	Director and shareholder	5 April 2007	-	Substantial shareholder (direct)
Yorker Sdn Bhd	Renting of properties and investment holding company (investment in shares and property)	Director and shareholder	16 February 2007	-	Substantial shareholder (indirect) ⁽³⁾

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

Name of company	Principal activities	Involvement in business activities	Directorship		Nature of shareholding
			Date of appointment	Date of resignation	
Sim Bee Sawmill Company Sdn Bhd	Investment holding (investment in property)	Director and shareholder	29 January 2009	-	Substantial shareholder (indirect) ⁽³⁾
Saw Ee Chee Sdn Bhd	Investment holding (investment in shares and property)	Director and shareholder	5 April 2007	-	Substantial Shareholder (direct)
Mygrocer Sdn Bhd (formerly known as Saw Benson Design (M) Sdn Bhd)	Business of (i) sale of any kind of products through vending machines, (ii) retail sale of any kind of products over the internet, and (iii) packaging activities on a fee or contract basis	Director and shareholder	18 March 2019	-	Substantial shareholder (direct)
Richfund Sdn Bhd	Money lending and investment holding (investment in shares), general trading and providing services	Director	5 August 2015	-	-
Kejap Food ECF2 PLT	Investment holding (investment in shares)	Partner	13 July 2023	-	-
Oriental Group Investment Limited	Investment holding in shares	Director and shareholder	12 October 2015	-	Substantial shareholder (direct)
Oriental Group Investment Pte Ltd	Activities of holding company in shares and/or properties (Currently dormant)	Director and shareholder	31 May 2023	-	Substantial shareholder (direct)
Ernsts Foods (ShenZhen) Co., Ltd	Sales of food (pre-packaged food) and food additives, import and export of goods, technology and food	Shareholder	-	-	Substantial shareholder (indirect) ⁽³⁾

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

Name of company	Principal activities	Involvement in business activities	Directorship		Nature of shareholding
			Date of appointment	Date of resignation	
GG-862-220 Limited	Other letting and operating of own or leased real estate	Director and shareholder	29 October 2019	-	Substantial shareholder (direct)
GG-216-350 Limited	Other letting and operating of own or leased real estate	Director and shareholder	29 October 2019	-	Substantial shareholder (direct)
GG-320-420 Limited	Other letting and operating of own or leased real estate	Director and shareholder	29 October 2019	-	Substantial shareholder (direct)
Culture Quest Sdn Bhd	Real estate and investment holding (investment in shares)	Director	27 August 2009	-	-
<i>(As at the LPD, the company is in the midst of winding up)</i>					
<u>Past Involvement</u>					
PC Craft Sdn Bhd	Investment holding (investment in property) and renting of properties	Director	27 August 2009	3 July 2024	-
VW & BS Sdn Bhd	Engaged in the business of architects and interior design consultants	Director	20 February 2012	-	-
<i>(Dissolved on 2 September 2021)</i>					
Saw Design Benson	Activity of interior designing	Sole Proprietor	24 December 2012	-	-
<i>(Expired on 27 December 2022)</i>					

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

Name of company	Principal activities	Involvement in business activities	Directorship		Nature of shareholding
			Date of appointment	Date of resignation	
Custom Food Group Berhad	Activities of holding companies <i>(Dissolved on 8 September 2025)</i>	Director	18 February 2019	-	-
Merk Process Asia Sdn Bhd	Plant designer and manufacturer of vacuum drying plants <i>(Dissolved on 16 July 2025)</i>	Director	11 August 2009	-	-
Voon Wong & Benson Saw Ltd	Architectural activities <i>(Dissolved on 25 October 2022)</i>	Director	9 September 2002	15 June 2022	-

Notes:

- (1) Deemed interested by virtue of Section 8(4) of the Act held through Family Cereal, Mylar and OCSB.
- (2) Deemed interested by virtue of Section 8(4) of the Act held through Mylar and OCSB.
- (3) Deemed interested by virtue of Section 8(4) of the Act held through OCSB.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

(iv) Lum Ying Ling

Name of company		Principal activities	Involvement in business activities	Directorship		Nature of shareholding
				Date of appointment	Date of resignation	
<u>Present Involvement</u>						
Savoures Sdn Bhd	Group	Investment holding with subsidiaries involved in the business of F&B	Director	3 April 2024	-	-
CA Flavour Bhd (subsidiary of Savoures Sdn Bhd)	Sdn Group	Manufacturing of food products	Director	7 July 2023	-	-
Orion Industries (M) Bhd (subsidiary of Savoures Sdn Bhd)	Food Sdn Group	Manufacturer and general trader of food and food related merchandise	Director	11 October 2023	-	-
OFV Joint Company (subsidiary of Orion Industries (M) Bhd)	Stock of Food Sdn	Production of food coating powder, wheat flour blends, seasoning powder and marinating powder for food	Director	26 April 2024		
SC Food Industries Sdn Bhd (subsidiary of Orion Industries (M) Bhd)	Food Sdn	Manufacturing of processed foods, precooked foods, preserved foods and all other food products, property investment holdings and activities of holding companies	Director	22 September 2023	-	-

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

Name of company	Principal activities	Involvement in business activities	Directorship		Nature of shareholding
			Date of appointment	Date of resignation	
Mark's Food Solutions Sdn Bhd	Business of manufacturing of all types of gravy, pastry and soup in food industry	Director	10 October 2024	-	-
Mark's RTE Solutions Sdn Bhd (subsidiary of Mark's Food Solutions Sdn Bhd)	Retail sale of other food products	Director	10 October 2024	-	-
Loob Holding Sdn Bhd	Operating and managing of food and beverages business	Director	15 November 2024	-	-
Loob Berhad	Investment holding (investment in shares)	Non-Independent Non-Executive Director	3 February 2025	-	-
Eco-Shop Marketing Berhad	Business of retailing of groceries, general consumer goods, wholesaler of rice, oil, flour, sugar and provision of transportation services, carrying on business of e-commerce and online business selling a variety of products, and investment holding. Its subsidiaries are principally involved in the manufacturing, distribution, export, import, sale or dealing in plastic products for daily consumer use, and trading of computer hardware, software and peripherals	Non-Independent non-Executive Director	1 April 2024	-	-

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

Name of company	Principal activities	Involvement in business activities	Directorship		Nature of shareholding
			Date of appointment	Date of resignation	
NVT Associates Pte Ltd	Manufacturing of tool and die	Shareholder	-	-	Substantial shareholder (direct)

Past Involvement

Truescale Ventures Sdn Bhd	Investment holding in shares of Loob Philippines, Inc. and Loob Vietnam Company Limited	Director	20 November 2024	15 January 2025	-

(v) Lee Seow Ling

Name of company	Principal activities	Involvement in business activities	Directorship		Nature of shareholding
			Date of appointment	Date of resignation	

Present Involvement

Agricore CS Holdings Berhad	Investment holding and its subsidiaries are principally involved in the sourcing and distribution of plant-based agricultural food ingredients and the production and sale of food additives and fried shallots	Independent Non-Executive Director	18 September 2023	-	-

Past Involvement

Eplas Berhad	Investment holding with subsidiaries involved in business of household products	Director	2 September 2024	30 April 2025	-

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

(vi) Khoo Choon Keat

Name of company	Principal activities	Involvement in business activities	Directorship		Nature of shareholding
			Date of appointment	Date of resignation	
<u>Present Involvement</u>					
Golden Destinations Group Berhad	Investment holding whilst its principal subsidiary, is principally involved as a full-service outbound travel experience curator, offering a comprehensive suite of outbound travel experience products and services under Golden Destinations (GD), its flagship brand portfolio	Independent Non-Executive Director	25 July 2025	-	
Bizline Management Solutions Sdn Bhd	To carry on the business of accounting, tax and management services	Director and shareholder	28 February 2025	-	Substantial shareholder (direct)
Hajat Etika Sdn Bhd	Letting of properties	Director and shareholder	5 March 1997	-	Substantial shareholder (direct)
PP Exhibition Booth Sdn Bhd	Hiring and renting of equipment for exhibitions and public function purposes	Director and shareholder	22 April 1997	-	Substantial shareholder (direct)
PSA Equipment Sdn Bhd	Renting of all kinds of equipment and facilities for all kinds of functions	Director and shareholder	15 September 1999	-	Substantial shareholder (direct)
Levicom Sdn Bhd	Investment holding (investment in properties and shares)	Director and shareholder	8 December 2009	-	Substantial shareholder (direct)
Smartcap Venture Sdn Bhd	Investment holding (investment in shares)	Director and shareholder	1 December 2010	-	Substantial shareholder (direct)

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

Name of company	Principal activities	Involvement in business activities	Directorship		Nature of shareholding
			Date of appointment	Date of resignation	
Resiland Properties Sdn Bhd	Investment holding (investment in property)	Director and shareholder	19 November 2012	-	Substantial shareholder (indirect) ⁽¹⁾
Jetgold Resources Sdn Bhd	Plantation activities	Director and shareholder	3 December 2012	-	Substantial shareholder (indirect) ⁽¹⁾
Leveljet Resources Sdn Bhd	Printing services	Director and shareholder	20 May 2013	-	Substantial shareholder (direct)
Achieveland Sdn Bhd	Investment holding company (investment in property)	Director and shareholder	13 September 2013	-	Substantial shareholder (indirect) ⁽²⁾
KCK Consultancy Services Sdn Bhd	Provision of taxation and business consultancy services	Director and shareholder	28 July 1999	-	Substantial shareholder (direct)
KCK Business Solutions Sdn Bhd	Providing management and consultancy services for business solutions, act as advisors and consultants to business, commerce and industry, in particular to advise upon, direct or manage the administration, management, supervision of any company, person or organisation, operations, projects and any other business incidental thereto	Director and shareholder	31 May 2019	-	Substantial shareholder (direct)
KCK & Associates PLT	Accounting, bookkeeping and auditing activities; tax consultancy	Partner	6 February 2020	-	-

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

Name of company		Principal activities	Involvement in business activities	Directorship		Nature of shareholding
				Date of appointment	Date of resignation	
<u>Past Involvement</u>						
VSL Events Sdn Bhd		Renting of audio equipment and sound systems, consultants and dealers of all kinds of audio and visual equipment (Dissolved on 6 March 2025)	Director	1 July 2013	-	-
Friends of Seniors Sdn Bhd		Provision of day care services. (Dissolved on 24 December 2020)	Director	22 November 2012	-	-
J. Heng Corporate Advisors Sdn Bhd		Provision of corporate secretarial, business process outsourcing and management services	Director	20 February 2020	2 January 2021	-
Transyear Sdn Bhd		Investment holding (investment in shares)	Director	20 May 2020	5 August 2025	-
Solidwin Property Sdn Bhd		Trading of construction materials and property developer	Director	16 June 2020	5 August 2025	-

Notes:

- (1) Deemed interested by virtue of Section 8(4) of the Act held through Levicom Sdn Bhd.
- (2) Deemed interested by virtue of Section 8(4) of the Act held through Levicom Sdn Bhd and Hajat Etika Sdn Bhd.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

(vii) Chung Wei Leng

Name of company	Principal activities	Involvement in business activities	Directorship		Nature of shareholding
			Date of appointment	Date of resignation	
<u>Present Involvement</u>					
Chung Chambers	Provision of legal services	Partner	-	-	-
IP Techcomm Sdn Bhd	Other management consultancy activities n.e.c.; business management consultancy services	Director and shareholder	19 February 2020	-	Substantial shareholder (direct)
ODI International Berhad (formerly known as IIPCC Malaysia Berhad)	Non-profit organisation promoting intellectual property commercialisation	Director	2 March 2021	-	-
IP Legacy Sdn Bhd	Advisers, certification body and intangible asset commercialisation development and consultancy as well as provide management services relating to administration business, commerce and industry	Director and shareholder	26 March 2024	-	Substantial shareholder (direct)

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

The involvement of our Directors excludes shares in public listed companies held by our Directors as minority shareholders (less than 5.00% of the total number of issued shares of a public listed company) and in which they do not hold any directorship, and is only for trading and personal investment purposes.

The involvement of:

- (i) Dato Saw, our Promoter, substantial shareholder and Managing Director, in other businesses outside our Group does not preclude him from allocating or committing his time and effort to our Group as the day-to-day operations of those other businesses are managed by the respective companies' management team and personnel, or the companies are investment holding companies which generate passive income. He only attends meetings of the boards on which he serves and accordingly discharges his responsibility as a director of those companies. He has been and will continue to ensure that he would be able to fulfil and discharge his duties and responsibilities effectively as our Managing Director; and
- (ii) our Non-Executive Directors in other businesses outside our Group does not preclude them from allocating or committing their time and effort to our Group as they are not involved in the management and day-to-day operations of our Group.

As such, our Board is of the view that this would not affect their contribution and performance to our Group.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

5.2.4 Directors' remuneration and material benefits in-kind

The aggregate remuneration and material benefits-in-kind (including any contingent or deferred remuneration) paid and proposed to be paid to our Directors for their services rendered in all capacities within our Group for the FYE 2024 and FYE 2025 are set out below:

	Salaries	Directors' fees	Bonuses	Allowances and benefits- in-kind	Contributions to EPF, SOCSSO and EIS	Total
FYE 2024 (Paid)	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Executive Director						
Dato' Saw	456	3	76	136	65	736 ⁽¹⁾
Non-Executive Directors						
Chua Hooi Luan	-	-	-	-	-	-
Saw Benson	-	3	-	-	-	3
Lum Ying Ling	-	-	-	-	-	-
Lee Seow Ling	-	-	-	-	-	-
Khoo Choon Keat	-	-	-	-	-	-
Chung Wei Leng	-	-	-	-	-	-

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

FYE 2025 (Proposed)	Salaries RM'000	Directors' fees RM'000	Bonuses RM'000	Allowances and benefits- in-kind RM'000	Contributions to EPF, SOCSO and EIS RM'000	Total RM'000	Actual amounts paid in 2025 up to the LPD RM'000
Executive Director							
Dato' Saw	540	-	76	237	75	928	577 ⁽²⁾
Non-Executive Directors							
Chua Hooi Luan	-	23	-	2	-	25	-
Saw Benson	-	20	-	2	-	22	-
Lum Ying Ling	-	-	-	-	-	-	-
Lee Seow Ling	-	20	-	2	-	22	-
Khoo Choon Keat	-	20	-	2	-	22	-
Chung Wei Leng	-	20	-	2	-	22	-

Notes:

(1) This includes bonus and its related EPF contribution for FYE 2023 but paid in FYE 2024.

(2) This includes bonus and its related EPF contribution for FYE 2024 but paid in FYE 2025.

The remuneration of our Directors must be considered and recommended by our Nominating and Remuneration Committee and subsequently be approved by our Board. Our Directors' fees must be further approved by our shareholders at a general meeting.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

5.3 BOARD PRACTICES

Our Board has the overall responsibility for the long-term success of our Group and delivery of sustainable value to our stakeholders. Our Board must act with integrity, lead by example, keep abreast of his / her responsibilities as a Director and of the conduct, business activities and development of our Company.

5.3.1 Board

Subject to the limitations of our Constitution, our Board has adopted a charter which sets out, among others, the following principal responsibilities of our Board for effective discharge of its functions:

- (i) approving and reviewing strategic plans developed by our management, ensuring focus on sustainability and long-term value creation, with attention given to ESG considerations;
- (ii) setting and taking responsibility of our Group's sustainability policy to oversee, together with our management, to meet our Group's sustainability goals to maintain stakeholder confidence;
- (iii) reviewing, challenging, and deciding on management's proposals, including corporate strategy, business plans, and budgets, and monitor the implementation by our management;
- (iv) overseeing the conduct of our Group's business including assessing and monitoring the performance of our management;
- (v) identifying key business risks faced by our Group, and ensuring the implementation of appropriate internal controls and mitigation measures to manage such risks;
- (vi) setting our Group's risk appetite and ensuring periodic review of our Group's risk management and internal control framework, which are to be based on internationally recognised standards;
- (vii) adopting a succession planning policy for our Board and Key Senior Management, and performing periodic reviews of the succession plan of our Group;
- (viii) establishing corporate disclosure policies and overseeing the implementation of the shareholders communication policy and investor relations of our Group
- (ix) promoting good corporate governance and ethical behaviour, transparency, and accountability within our Group;
- (x) establishing and monitoring the implementation of a comprehensive group-wide governance framework;
- (xi) ensuring the integrity of our Group's financial and non-financial reporting. It is the duty of our Directors to read our financial statements and ensure the disclosures are consistent with our Directors' own knowledge of our Group's affairs;
- (xii) upholding high ethical standards and actively combat corruption, bribery and money laundering; and
- (xiii) ensuring proper maintenance of our Group's records and accounts.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, the details of the date of expiration of the current term of office for each of our Directors and the period that each of our Directors has served in that office are as follows:

Directors	Date of appointment as Director	Date of expiration of current term of office	Approximate no. of years in office as at the LPD
Chua Hooi Luan	21 July 2025	At our AGM in the year of 2026 ⁽¹⁾	Less than a year
Dato' Saw	14 April 2025	At our AGM in the year of 2026 ⁽¹⁾	Less than a year
Saw Benson	14 April 2025	At our AGM in the year of 2026 ⁽¹⁾	Less than a year
Lum Ying Ling	21 July 2025	At our AGM in the year of 2026 ⁽¹⁾	Less than a year
Lee Seow Ling	21 July 2025	At our AGM in the year of 2026 ⁽¹⁾	Less than a year
Khoo Choon Keat	21 July 2025	At our AGM in the year of 2026 ⁽¹⁾	Less than a year
Chung Wei Leng	21 July 2025	At our AGM in the year of 2026 ⁽¹⁾	Less than a year

Note:

- (1) Based on our Constitution, an election of directors shall take place every year. At our first AGM, all our Directors shall retire from office, and at our AGM in every subsequent year one-third of our Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office provided always that all our Directors shall retire from office once at least in each three years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he / she retires.

5.3.2 Audit Committee

Our Audit Committee comprises the following members:

Name	Designation	Directorship
Lee Seow Ling	Chairperson	Independent Non-Executive Director
Khoo Choon Keat	Member	Independent Non-Executive Director
Chung Wei Leng	Member	Independent Non-Executive Director

Our Audit Committee's primary role is to aid our Board in fulfilling its responsibility on the oversight of the integrity of our Group's accounting and financial reporting matters. The duties and responsibilities of our Audit Committee, as stated in its terms of reference include the following:

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

(i) Financial Reporting

- (a) to review the quarterly results and annual financial statements, prepared by our management, where necessary, together with the external auditors, focusing on significant changes to accounting policies and practices, significant adjustments arising from the audit, significant and unusual events or transactions, going concern assumption, and compliance with accounting standards and other legal requirements; and
- (b) to ensure vigilance in detecting anomalies, question significant judgments, obtain auditor independence confirmation and advise our Board on whether the financial statements present a true and fair view.

(ii) External Audit

- (a) to review the external auditors' audit plan, audit report, internal control evaluations, and discuss key audit matters with external auditors;
- (b) to assess audit performance, independence and suitability of the external auditors;
- (c) to recommend to our Board on the appointment, re-appointment, resignation or dismissal of the external auditors; and
- (d) to review the Statement on Risk Management and Internal Control of our Group for inclusion in our annual report.

(iii) Internal Audit

- (a) to evaluate the effectiveness, scope, resources and independence of the internal audit function;
- (b) to review and approve the internal audit plan, to review findings of the internal audit report and ensure appropriate action is taken on the recommendations made by the internal audit function;
- (c) to oversee compliance with laws, internal policies and internal control systems;
- (d) to ensure internal audit has unrestricted access to all necessary information; and
- (e) to approve appointments or terminations of internal auditors and consider reasons for resignations.

(iv) Related Party Transactions and Conflicts of Interest Situations

- (a) to review any related party transactions and conflict of interest situations, and recommend measures to resolve or mitigate conflict of interest situations; and
- (b) to ensure that our Group has adequate procedures and processes in place to monitor and track related party transactions and to review these processes

(v) Anti-Corruption & Bribery and Whistleblowing and Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities

- (a) to ensure robust measures are in place for preventing and addressing corruption, bribery, money laundering and unethical conduct; and

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

- (b) to review whistleblowing mechanisms and report related matters to our Board in line with our Whistleblower Policy.
- (vi) Other matters
 - (a) to provide oversight on major contracts and projects requiring our Board's approval;
 - (b) if applicable, to verify share and option allocations under our Group's employee share option scheme or share issuance scheme, or the allocation of shares pursuant to an incentive plan for our employees at the end of each financial year; and
 - (c) to prepare our Audit Committee's annual report, and perform relevant functions mutually agreed with our Board to ensure effective discharge of responsibilities.

5.3.3 Nominating and Remuneration Committee

Our Nominating and Remuneration Committee comprises the following members:

<u>Name</u>	<u>Designation</u>	<u>Directorship</u>
Khoo Choon Keat	Chairman	Independent Non-Executive Director
Saw Benson	Member	Non-Independent Non-Executive Director
Lee Seow Ling	Member	Independent Non-Executive Director

The main function of our Nominating and Remuneration Committee is to support our Board in actively overseeing the selection and assessment of the performance, design and operation of our Group's remuneration system to ensure corporate accountability and governance. Our Nominating and Remuneration Committee's duties and responsibilities as stated in its terms of reference include, amongst others, the following:

- (i) Nomination matters
 - (a) to establish an appropriate fit and proper selection criteria and process, recommend suitable candidates for appointment (including reappointment) of Directors and senior management to our Board, and ensuring Board diversity and candidates are sourced from independent channels;
 - (b) to formulate and perform periodic review on our Board and senior management succession plans;
 - (c) to conduct annual evaluations of our Board, our various Board committees, individual Directors and senior management, including assessments on sustainability performance, meeting attendance, conflict of interest, qualifications, experience, integrity, independence, ESG expertise and time commitment; and
 - (d) to review training programmes attended by our Directors for each financial year and to identify suitable training programmes for our Directors to effectively discharge their duties and to keep them abreast with industry developments and trends.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

(ii) Remuneration Duties

- (a) to develop and implement a fair and transparent remuneration policy for our Directors and senior management, which is aligned with our business strategy, sustainability goals and market competitiveness; and
- (b) to recommend remuneration packages including fees, salaries, bonuses, incentives, benefits, and severance terms of our Directors, ensuring they are performance-linked, merit-based and do not compromise independence.

5.3.4 Sustainability and Risk Management Committee

Our Sustainability and Risk Management Committee comprises the following members, of which the majority are Independent Non-Executive Directors:

<u>Name</u>	<u>Designation</u>	<u>Directorship</u>
Chung Wei Leng	Chairperson	Independent Non-Executive Director
Dato' Saw	Member	Managing Director
Khoo Choon Keat	Member	Independent Non-Executive Director

The current composition of our Sustainability and Risk Management Committee comprises a majority of Independent Directors to enable objective oversight of the management of principal business risks and significant or material economic, environmental and social risks. Our Managing Director is part of the committee as he has in-depth knowledge on the business and sustainability risks that our Group is exposed to and would be in a better position to evaluate such risks to be presented to our Sustainability and Risk Management Committee. Accordingly, our Managing Director is able to recommend sustainability and risk management strategies and policies and risk tolerance levels.

Our Board together with management takes responsibility for the governance of sustainability in our Company including setting our Company's sustainability strategies, priorities and targets. Our Board has the overall responsibility for risk oversight and risk management within our Group. However, as a committee of our Board, our Sustainability and Risk Management Committee shall lead our strategic direction in the management of our business and sustainability risks and opportunity, including oversight on the establishment and implementation of a risk management framework and reviewing the effectiveness of the risk management framework in identifying and managing risks and internal processes which include but are not limited to ensuring the adequacy of risk management policy and infrastructure to facilitate the implementation of action plans for risk management and sustainability management.

Our Sustainability and Risk Management Committee's duties and responsibility as stated in its terms of reference include, among others the following:

(i) Sustainability

- (a) to advise and recommend sustainability strategies (including ESG) to our Board and monitor their implementation;
- (b) to recommend to our Board and monitor the implementation of sustainability-related policies, review sustainability issues from audits, regulators or consultants, if any, and oversee the management of these issues, and recommend material sustainability matters to our Board for approval;

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

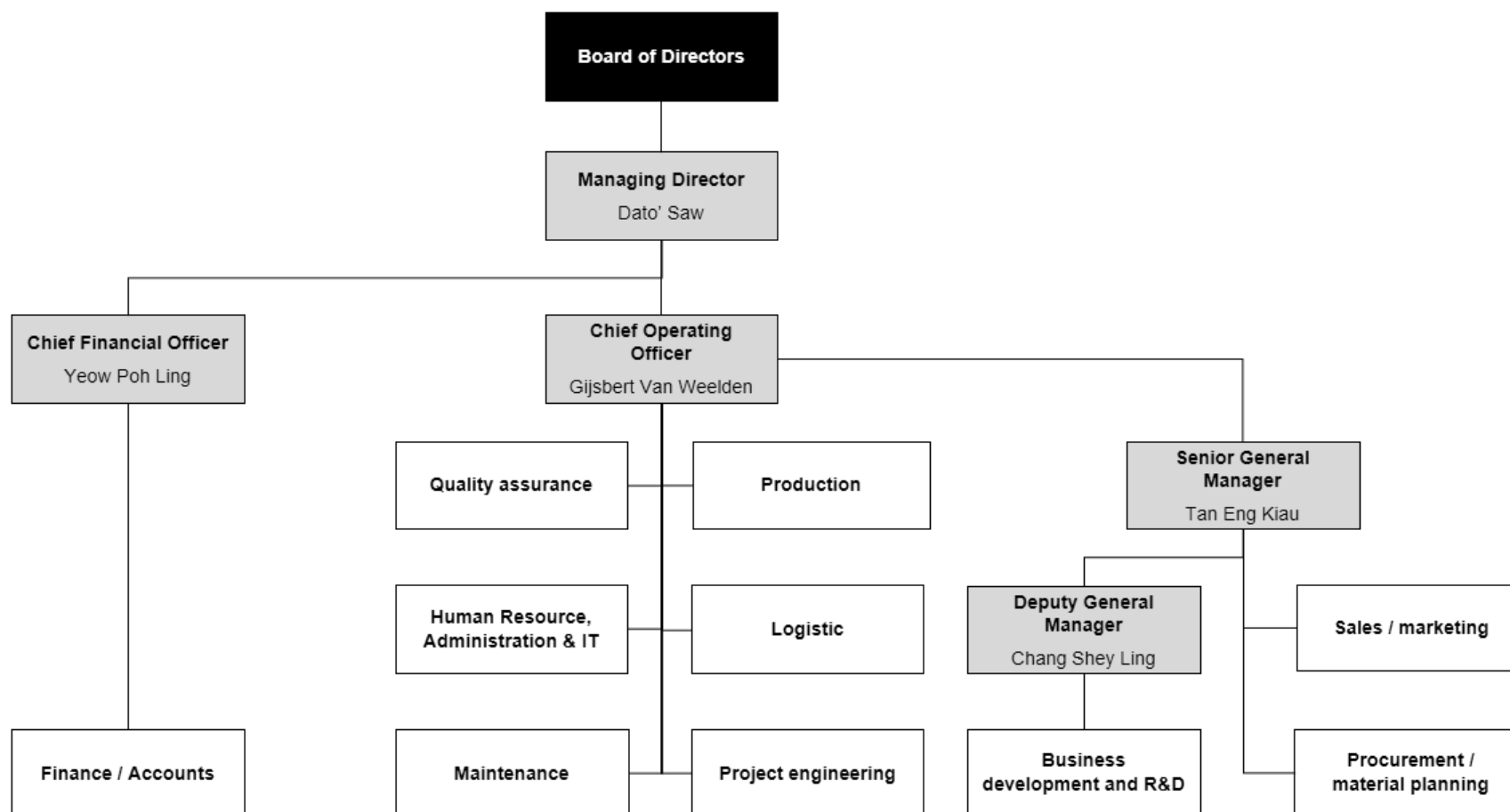
- (c) to review updates on sustainability targets and the integration of ESG matters into our Group's strategy and risk management;
 - (d) to evaluate our Board's sustainability performance, including climate risk oversight, stakeholder engagement and reporting;
 - (e) to oversee preparation of sustainability disclosures for Board approval, ensuring compliance with Listing Requirements, MCCG and other relevant frameworks or regulations; and
 - (f) to review the sustainability statement in the annual report to ensure clear, balanced and meaningful communication of initiatives and outcome.
- (ii) Risk management
 - (i) to oversee and recommend risk management strategies, policies and risk tolerance levels for our Board's approval;
 - (ii) to ensure sustainability risks and opportunities are integrated into the risk management framework, and that the framework is based on an internationally recognised standard and effectively embedded across our Group;
 - (iii) to identify, assess and monitor risks within our Group's risk appetite, develop and implement mitigation plans and ensure corrective measures are taken to address any failings and/or weaknesses;
 - (iv) to conduct annual reviews and periodic testing of the risk management framework, including risk registers and dashboards, to ensure relevance in light of any changes to internal business processes, business strategy, ESG and sustainability factors;
 - (v) to promote risk awareness and education across our Group, and ensure adequate infrastructure, resources, and independent functions to support effective risk management;
 - (vi) to report risk management activities and updates on key risks to our Board regularly;
 - (vii) to assess risks related to major transactions and report the assessment to our Board to support strategic decision-making;
 - (viii) to oversee the implementation of our Group's anti-bribery and corruption policies and ensure corruption risk forms part of annual risk assessments;
 - (ix) to review the effectiveness of risk management systems and recommend the Statement on Risk Management and Internal Control to be disclosed in our annual report for our Board's endorsement; and
 - (x) to oversee major contracts or projects requiring our Board's approval, including endorsement of contract terms before acceptance and execution as well as potential disputes with counterparties.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

5.4 KEY SENIOR MANAGEMENT

5.4.1 Management reporting structure

The management reporting structure of our Group is as follows:



5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

5.4.2 Shareholdings of our Key Senior Management

Please refer to Sections 5.1.3 and 5.2.1 of this Prospectus for information on the shareholdings of Dato' Saw in our Company.

The shareholdings of our other Key Senior Management in our Company before and after our IPO are as follows:

Key Senior Management	Nationality	As at LPD and before our IPO				After our IPO ⁽¹⁾			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Gijsbert van Weelden	Dutch	-	-	-	-	700,000	0.07	-	-
Tan Eng Kiau	Malaysian	-	-	-	-	500,000	0.05	-	-
Yeow Poh Ling	Malaysian	-	-	-	-	500,000	0.05	-	-
Chang Shey Ling	Malaysian	-	-	-	-	400,100	0.04	-	-

Note:

- (1) Based on our enlarged total number of 1,020,823,025 Shares after our IPO and assuming full subscription of the IPO Shares reserved under the Pink Form Allocation.

Our Key Senior Management may subscribe for excess IPO Shares under the Pink Form Allocation and Public Issue.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

5.4.3 Profiles of our Key Senior Management

Please refer to Section 5.1.2 of this Prospectus for the profile of Dato' Saw. The profiles of other Key Senior Management are as follows:

(i) Gijsbert van Weelden
Chief Operating Officer

Gijsbert van Weelden, a Malaysian Permanent Resident and Dutch aged 63, has more than 30 years of work experience in food and beverage manufacturing production and operations.

He graduated from the Higher Technical Education (“HTS”) in the Netherlands with a Bachelor of Mechanical Engineering in June 1986. He also successfully completed a specialised study course in Cryogenics from HTS in October 1988.

In July 1986, he commenced his career with GEA Niro PT B.V. in the Netherlands, a company principally involved in supplying to the food, beverage and pharmaceutical sectors, including machinery and plants as well as advanced process technology, components and comprehensive, as Project Manager and Sales Manager.

In December 1995, he departed from the engineering company and joined Kerry Ingredients (M) Sdn Bhd in Malaysia as Plant Manager, where he was responsible for overseeing the company's plant operations, including production, maintenance, warehousing and shipping, and quality assurance. He subsequently left the company in January 2006.

In January 2006, he joined Family Cereal as the Chief Operating Officer and was subsequently transferred to CFI in February 2022 where he assumed his current position. He is currently responsible for overseeing the operations of our Group and management of the operation plants.

(ii) Tan Eng Kiau
Senior General Manager

Tan Eng Kiau, a Malaysian aged 50, has more than 20 years of work experience in sales and marketing.

He graduated from the University Utara Malaysia (UUM) with a Bachelor of Public Management, Malaysia in November 2000.

In July 2000, he started his career with Maicador Sdn Bhd, a wooden door manufacturer, as Marketing Executive where he was responsible for sales and marketing.

In April 2001, he left the company to join Family Cereal as Marketing Executive where he was responsible for sales and marketing of the company. In June 2002, he was promoted to Senior Marketing Executive, and subsequently promoted to General Manager and Senior General Manager in June 2011 and January 2016 respectively.

In February 2022, he was subsequently transferred to CFI and assumed his position as the Senior General Manager of our Group. He is responsible for overseeing the sales and marketing and procurement of our Group.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

(iii) **Yeow Poh Ling** *Chief Financial Officer*

Yeow Poh Ling, a Malaysian aged 55, has more than 30 years of work experience in audit, financial reporting and accounting.

She graduated from the Victoria University of Wellington, New Zealand with a Bachelor of Commerce and Administration in December 1993. She is a member of the Chartered Accountants Australia and New Zealand (previously known as the Institute of Chartered Accountants of New Zealand) since October 1997. She is also a registered accountant of the MIA in August 2000 and a Chartered Accountant of the MIA since June 2001.

In March 1994, she began her career with Price Waterhouse (now known as PricewaterhouseCoopers PLT), as Audit Assistant and she was later promoted to Audit Senior in January 1996. Her responsibilities included assisting in audits of clients in the manufacturing sector, electronics industry, and financial institutions. She left the firm in April 1996.

She joined Zhulian Development Sdn Bhd in May 1996 as Assistant Accountant. Throughout her tenure of approximately 22 years at Zhulian Corporation Berhad and its group of companies ("**Zhulian Group**"), she was promoted to various positions and gained immense experience in managing Zhulian Group's financial matters. Her responsibilities included the managing of Zhulian Group's accounting and corporate finance functions, as well as company secretarial, legal and tax matters. In 2014, she was promoted to Group Chief Accountant where she was primarily responsible for overseeing the financial, accounting and corporate functions of Zhulian Group before leaving in October 2018. She also assisted in the listing of Zhulian Corporation Berhad on the Main Market of Bursa Securities in 2007.

In October 2018, she joined Ice Holidays Sdn Bhd as Chief Financial Officer where she was responsible for managing the company's corporate affairs, corporate finance, treasury, internal control, group financial reporting, company secretary and legal matters. In October 2020, she left Ice Holidays Sdn Bhd and joined UR Management & Supplies Sdn Bhd in November 2020 as Financial Controller. She was primarily responsible for managing the company's corporate finance, treasury and financial reporting. She subsequently left the company in April 2021.

Since April 2021, she joined our Group as the Chief Financial Officer, a position she presently assumes. She is responsible for managing and overseeing all aspects of our Group's corporate finance, treasury and group reporting.

(iv) **Chang Shey Ling** *Deputy General Manager*

Chang Shey Ling, a Malaysian aged 44, has more than 20 years of work experience in quality assurance, and business and product development.

She graduated from Charles Sturt University, New South Wales, Australia with a Bachelor of Applied Science (Food Science) in November 2005.

In April 2005, she began her career as Quality Assurance Executive at Food Empire Holdings Limited where she was responsible for overseeing and managing quality assurance processes. She subsequently left the company and joined Family Cereal in January 2006 as Quality Assurance Executive. During her tenure with the company, she was promoted to R&D Manager in September 2011 and subsequently to Assistant General Manager in May 2018.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

In February 2022, she was subsequently transferred to CFI and assumed her position as the Assistant General Manager. In June 2022, she was promoted to Deputy General Manager of our Group, a position she presently assumes. She is responsible for the research and product development as well as business development of our Group.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

5.4.4 Principal directorships and principal business activities on our Key Senior Management outside our Group for the past five years

Please refer to Section 5.2.3 for the principal directorships and principal business activities of Dato' Saw outside our Group.

The following table sets out our other Key Senior Management's principal directorships and principal business activities outside our Group as at the LPD ("**Present Involvement**"), and principal directorships outside our Group for the past five years preceding the LPD ("**Past Involvement**"):

(i) Gijsbert van Weelden

Name of company	Principal activities	Involvement in business activities	Directorship		Nature of shareholding
			Date of appointment	Date of resignation	
<u>Present Involvement</u>					
Yorker Sdn Bhd	Renting of properties and investment holding company (investment in shares and property)	Director and Shareholder	16 February 2007	-	Substantial shareholder (direct)
Family NutriFoods Sdn Bhd	Trading company in wide range of food ingredients, such as instant malt extract powder, malted beverages powder, instant malt extract cereal, cereal flakes, and cereal powder. (Currently dormant)	Director	17 June 2016	-	-
<u>Past involvement</u>					
Merk Process Asia Sdn Bhd	Plant designer and manufacturer of vacuum drying plants (Dissolved on 16 July 2025)	Director	11 January 2007	-	-

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

(ii) Tan Eng Kiau

Name of company	Principal activities	Involvement in business activities	Directorship		Nature of shareholding
			Date of appointment	Date of resignation	
<u>Present Involvement</u>					
Family NutriFoods Sdn Bhd	Trading company in wide range of food ingredients, such as instant malt extract powder, malted beverages powder, instant malt extract cereal, cereal flakes, and cereal powder. (Currently dormant)	Alternate Director	17 June 2016	-	-

(iii) Yeow Poh Ling

Name of company	Principal activities	Involvement in business activities	Directorship		Nature of shareholding
			Date of appointment	Date of resignation	
<u>Present Involvement</u>					
FA Angel PLT	Investment holding (investment in shares)	Partner	13 September 2021	-	-

(iv) Chang Shey Ling

Name of company	Principal activities	Involvement in business activities	Directorship		Nature of shareholding
			Date of appointment	Date of resignation	
<u>Past Involvement</u>					
Teik Wah Trader	Agent for supplying kitchenware	Sole Proprietor	1 January 2023	15 January 2023	-

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

The involvement of our Key Senior Management in business activities outside our Group does not give rise to any existing or potential conflict of interest situation and does not affect their commitment, ability to perform their responsibilities and continued contribution to the day-to-day management and operations of our Group as the companies are investment holding companies which generate passive income.

5.4.5 Key Senior Management's remuneration and material benefits-in-kind

Please refer to Section 5.2.4 of this Prospectus for the remuneration and material benefits-in-kind of Dato' Saw. The aggregate remuneration and material benefits-in-kind (including any contingent or deferred remuneration) paid and proposed to be paid to our other Key Senior Management for their services rendered in all capacities within our Group for the FYE 2024 and the FYE 2025 are set out below:

Key Management	Senior	Remuneration band (in bands of RM50,000)		Actual amount paid up to LPD ⁽²⁾
		FYE 2024 (Paid) ⁽¹⁾	FYE 2025 (Proposed)	
		RM'000	RM'000	RM'000
Gijsbert Weelden	van	700 - 750	750 – 800	500 – 550
Tan Eng Kiau		450 – 500	500 – 550	300 – 350
Yeow Poh Ling		350 – 400	400 – 450	250 – 300
Chang Shey Ling		200 – 250	200 – 250	150 – 200

Notes:

- (1) Includes bonus and its related EPF contribution for FYE 2023, but paid in FYE 2024.
- (2) Includes bonus and its related EPF contribution for FYE 2024, but paid in FYE 2025.

5.5 DECLARATION FROM OUR PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, none of our Promoters, Directors and Key Senior Management are or have been involved in any of the following events (whether within or outside Malaysia):

- (i) in the last 10 years, a petition under any bankruptcy or insolvency laws was filed (and not struck out) against him / her or any partnership in which he / she was a partner or any corporation of which he / she was a director or key senior management;
- (ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) in the last 10 years, charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) in the last 10 years, any judgment was entered against him / her, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his / her part, involving a breach of any law or regulatory requirement that relates to the capital market;

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

- (v) in the last 10 years, being subject to any civil proceeding involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his / her part that relates to the capital market;
- (vi) being the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity;
- (vii) in the last 10 years has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; or
- (viii) any unsatisfied judgment against him / her.

5.6 FAMILY RELATIONSHIPS AND ASSOCIATIONS

Save as disclosed below, there are no family relationships or associations between our Promoters, substantial shareholders, Directors (including directors of our Subsidiaries), and Key Senior Management:

- (i) Dato' Saw and Saw Benson, being Directors of our Group and substantial shareholders of our Company, are siblings, and sons of Saw Ee Chee, a substantial shareholder of our Company;
- (ii) Dato' Saw, Saw Benson and Saw Ee Chee are directors and substantial shareholders of OCSB, a substantial shareholder of our Company;
- (iii) Saw Meng Tee, being the director of CFI, is the cousin of Dato' Saw and Saw Benson;
- (iv) Dato' Saw, Gijsbert van Weelden and Tan Eng Kiau, being the Key Senior Management of our Group, are associated with OCSB as they are a director and/or substantial shareholder of Yorker Sdn Bhd and Family NutriFoods Sdn Bhd, which are subsidiaries of OCSB. Please refer to Sections 5.2.3 and 5.4.4 for further details on Yorker Sdn Bhd and Family Nutrifoods Sdn Bhd; and
- (v) Lum Ying Ling, a Non-Independent Non-Executive Director of our Company, is the representative of SGSB (a substantial shareholder of our Company) on our Board.

5.7 EXISTING OR PROPOSED SERVICE AGREEMENT

As at the LPD, none of our Directors and/or Key Senior Management has any existing or proposed service agreements which provide for benefits upon termination of employment with our Group.

6. INFORMATION ON OUR GROUP

6.1 OUR COMPANY

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

Our Company was subsequently converted into a public limited company on 28 July 2025 and assumed the name of Custom Food Holding Berhad to facilitate our Listing.

Our Company is principally involved in investment holding activities while the principal activities of our Subsidiaries are set out in Section 6.3 of this Prospectus.

As at the LPD, we have two subsidiaries, and our Group does not have any joint venture or associate companies.

6.1.1 Share capital and changes in share capital

As at the LPD, our issued share capital is RM181,501,385 comprising 907,511,425 Shares.

The changes in our issued share capital since its incorporation up to the [LPD] are as follows:

Date of allotment	No. of Shares allotted	Nature of transaction	Consideration (RM)	No. of cumulative Shares	Cumulative issued share capital (RM)
14 April 2025	1,000	Subscribers' shares	100	1,000	100
[●]	181,501,285	Otherwise than cash (Acquisition)	181,501,285	181,502,285	181,501,385
[●]	907,511,425	Share Split	-	907,511,425	181,501,385

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in our Company. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotments.

Upon the completion of our IPO and Listing, our issued share capital will increase from RM181,501,385 comprising 907,511,425 Shares to RM[●] comprising 1,020,823,025 Shares. Please refer to Section 4.2 of this Prospectus for further details.

6. INFORMATION ON OUR GROUP

6.1.2 Pre-IPO Reorganisation

In conjunction with our Listing, we have undertaken the Pre-IPO Reorganisation comprising the Acquisition and the Share Split, details of which are as follows:

6.1.2.1 Acquisition

On [●], our Company had completed the acquisition of the entire issued share capital of CFI comprising 10,000,000 ordinary shares from OCSB and SGSB for a total purchase consideration of RM181,501,285. The purchase consideration was wholly satisfied via the issuance of 181,501,285 new Shares at RM1.00 per Share, in the following manner:

Vendor	Shareholdings in CFI before Pre-IPO Reorganisation		Consideration	
	No. of shares	%	RM	No. of new Shares
OCSB	8,000,000	80.00	145,200,828	145,200,828
SGSB	2,000,000	20.00	36,300,457	36,300,457
Total	10,000,000	100.00	181,501,285	181,501,285

The purchase consideration for the new Shares was arrived at after taking into account the audited consolidated NA of CFI as at 31 December 2024 amounting to RM181,501,285.

6.1.2.2 Share Split

On [●], our Company had completed the subdivision of one existing Share into five new Shares. After the Share Split, our Company has 907,511,425 Shares in issue. The effective shareholding of our existing shareholders in our Company before and after the Share Split is the same, and is as follows:

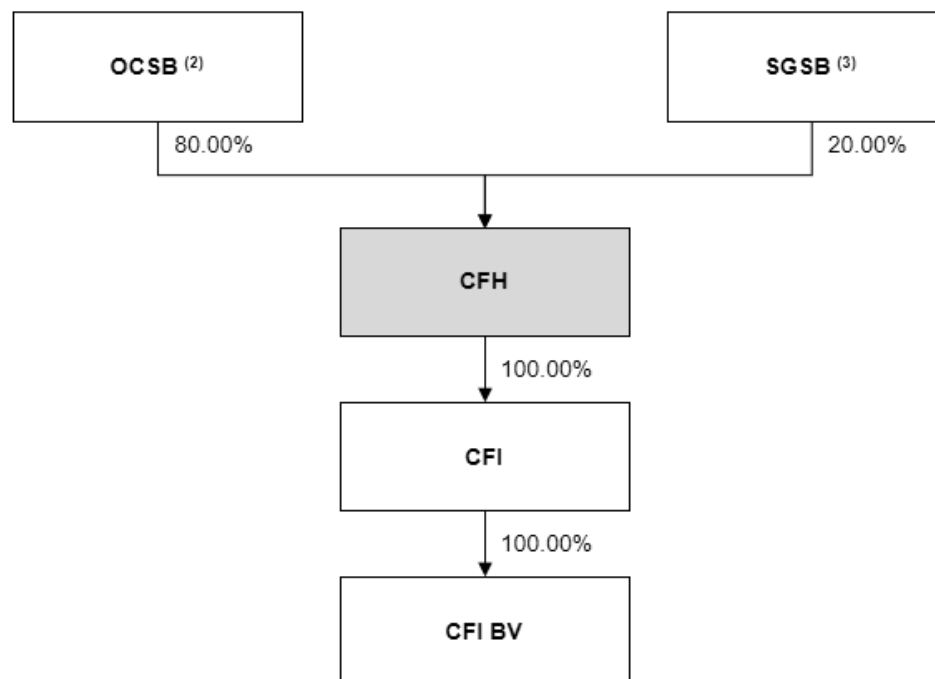
Shareholders	Before the Share Split		After the Share Split	
	No. of shares	%	No. of shares	%
OCSB	145,201,828	80.00	726,009,140	80.00
SGSB	36,300,457	20.00	181,502,285	20.00
Total	181,502,285	100.00	907,511,425	100.00

6. INFORMATION ON OUR GROUP

6.2 OUR GROUP STRUCTURE

Our shareholders and Group structure before our IPO and after our IPO are set out below:

6.2.1 As at the [LPD] and before our IPO ⁽¹⁾

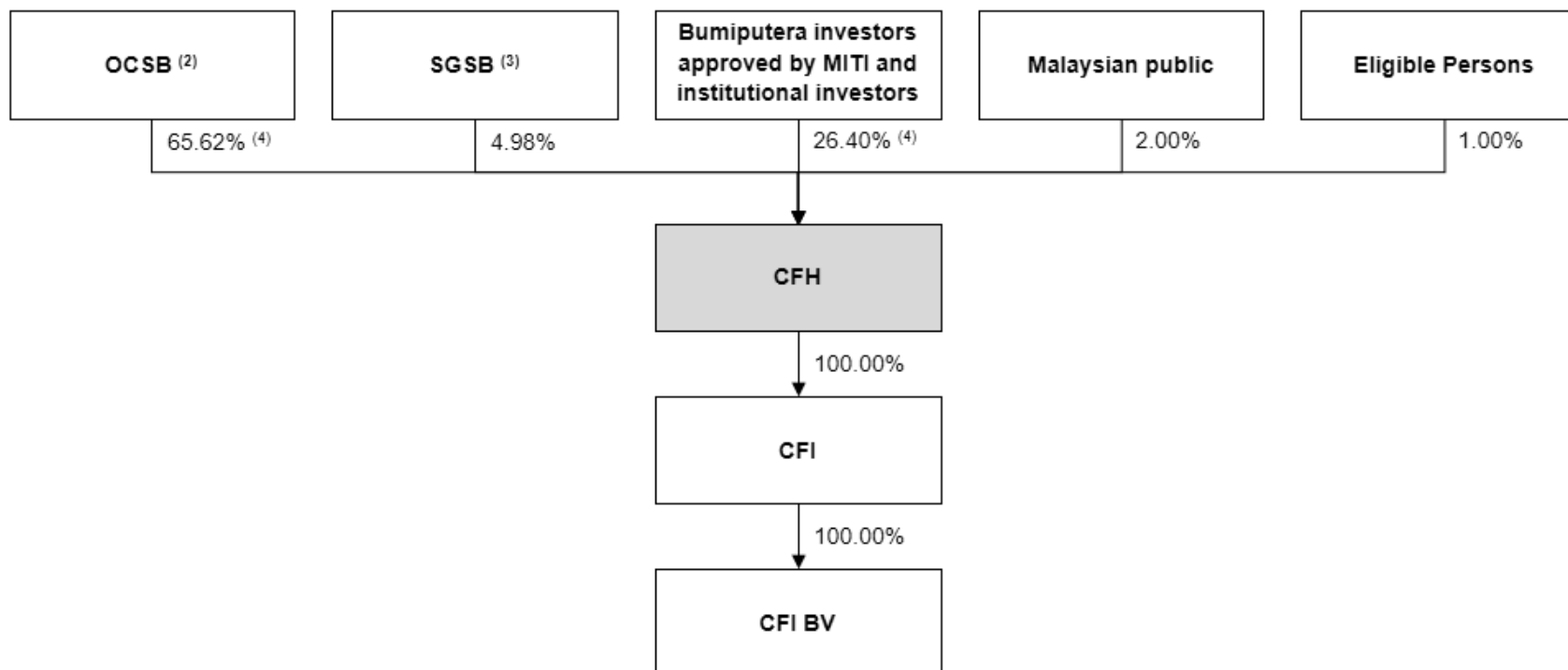


Notes:

- (1) Based on the total number of 907,511,425 Shares as at the [LPD].
- (2) Please refer to Section 5.1.2 of this Prospectus for further details of the shareholders of OCSB.
- (3) Please refer to Section 5.1.2 of this Prospectus for further details of the shareholders of SGSB.

6. INFORMATION ON OUR GROUP

6.2.2 After our IPO ⁽¹⁾



Notes:

- (1) Based on our enlarged total number of 1,020,823,025 Shares after our IPO and assuming full subscription of the 10,208,300 Issue Shares under the Retail Offering which have been reserved for the Eligible Persons and non-exercise of the Over-allotment Option.
- (2) Please refer to Section 5.1.2 of this Prospectus for further details of the shareholders of OCSB.
- (3) Please refer to Section 5.1.2 of this Prospectus for further details of the shareholders of SGSB.
- (4) Assuming that the Over-Allotment Option is fully exercised, OCSB's shareholdings in our Company will reduce by 4.41% to 61.21%, and the shareholdings of institutional investors will correspondingly increase by 4.41%.

6. INFORMATION ON OUR GROUP

6.3 OUR SUBSIDIARIES

Our Subsidiaries as at the LPD are as follows:

Company name	Registration No.	Principal place of business / Country of incorporation	Principal activities	Equity interest (%)
CFI	197901004719 (48964-V)	Lot 24, Jalan Perusahaan 2B, Kawasan Perusahaan Kulim, 09000 Kulim, Kedah / Malaysia	Manufacturing and supply of specialty food ingredients and food products	100.00
CFI BV	71859993	Generaal Foulkesweg 9, 6703 BH, Wageningen / the Netherlands	Supply of specialty food ingredients and food products	100.00

Further details of our Subsidiaries as at the LPD are set out below:

6.3.1 CFI

CFI was incorporated in Malaysia under the Companies Act 1965 on 13 July 1979 as a private limited company under the name of Syarikat Zahari Sendirian Berhad and is deemed registered under the Act. On 19 November 1979, it changed its name to Lim Soon Hock & Sons Sdn Bhd and subsequently changed its name to West Advance Sdn Bhd and Ernsts Food Ingredients Sdn Bhd on 7 April 1993 and 15 December 1999 respectively. On 28 September 2005, CFI changed its name and assumed its present name. The issued share capital of CFI as at the LPD is RM10,000,000 comprising 10,000,000 ordinary shares. There were no changes in the issued share capital of CFI for the FYE Under Review.

As at the LPD, (i) CFI does not have any outstanding warrants, options, convertible securities and uncalled capital; and (ii) there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotments of shares in CFI.

6.3.2 CFI BV

CFI BV was incorporated in Netherlands on 11 June 2018 as a private limited company under its present name and registered under the laws of Netherlands. On 3 May 2019, it changed its name to CF-Olife B.V. and subsequently changed its name and assumed its present name on 10 June 2020. The issued share capital of CFI BV as at the LPD is EUR100 comprising 10,000 ordinary shares. There were no changes in the issued share capital of CFI BV for the FYE Under Review.

As at the LPD, (i) CFI BV does not have any outstanding warrants, options, convertible securities and uncalled capital; and (ii) there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotments of shares in CFI BV.

6.4 PUBLIC TAKE-OVERS

During the last financial year and up to the LPD, there has been:

- (i) no public take-over offers by third parties in respect of our Shares; and
- (ii) no public take-over offers by our Company in respect of other companies' shares.

7. BUSINESS OVERVIEW

7.1 BUSINESS HISTORY AND MILESTONES

Our Company was incorporated in Malaysia under the Act on 14 April 2025 as a private limited company under the name of Custom Food Holding Sdn Bhd and was subsequently converted to a public limited company on 28 July 2025, and assumed our present name of Custom Food Holding Berhad.

We are principally a manufacturer of specialty food ingredients and food products focusing on non-dairy creamers, functional lipid powders, as well as malt and cereal products, which are used in a wide range of food and beverage applications. We are also involved in the supply of other food ingredients and food products that we do not manufacture and that are sourced from third party suppliers.

We principally operate in Malaysia with manufacturing facilities in Kulim, Kedah, and Perai, Penang. We also have sales offices in Selangor, Malaysia and Wageningen, the Netherlands.

The history of our Group can be traced back to 1999 when Dato' Saw (our Promoter and Managing Director) together with his father, Saw Ee Chee, each acquired 50.00% equity interest in CFI (then known as West Advance Sdn Bhd, an inactive company) from two unrelated individuals.

In 2000, we acquired a factory in Butterworth, Penang to set up our first spray dryer facility to produce non-dairy creamers. In 2001, CFI entered into a joint-venture agreement with OCSB and Food Empire, a company listed on the Singapore Stock Exchange. Pursuant to the joint-venture agreement, Food Empire emerged as a shareholder of CFI with 35.00% equity interest. The remaining 65.00% equity interest was held by OCSB (61.88%), Dato' Saw (1.56%) and Saw Ee Chee (1.56%). During the same year, we began selling our non-dairy creamers to customers in Malaysia and Singapore.

In 2004, we disposed of all of CFI's property and business assets to Kerry Ingredients (M) Sdn Bhd and ceased our operations. Subsequently, in 2007, Food Empire divested its entire 35.00% stake in CFI to OCSB.

In 2007, we recommenced our operations and ventured into the trading of malt products before resuming our operations as a manufacturer of non-dairy creamers in 2012. In 2022, SGSB acquired a 20.00% equity interest in CFI from OCSB, Dato' Saw, and Saw Ee Chee and in the same year, we acquired the malt and cereal products manufacturing business from Family Cereal, a wholly-owned indirect subsidiary of OCSB.

Following the Acquisition, CFI became a wholly-owned subsidiary of our Company. Please refer to Section 6.1.2 of this Prospectus for details on the Pre-IPO Reorganisation, which includes the Acquisition.

7. BUSINESS OVERVIEW

7.1.1 Key events and milestones

The key events and milestones of our business operations are as follows:

Year	Key events and milestones
1999	Dato' Saw and his father, Saw Ee Chee, each acquired 50.00% equity interest in CFI.
2000	We acquired a factory at Mak Mandin Industrial Estate in Butterworth, Penang. We commenced renovations of the factory in Mak Mandin and set up our first spray dryer facility to produce non-dairy creamers.
2001	- CFI entered into a joint-venture agreement with OCSB and Food Empire. Pursuant to the joint-venture agreement, Food Empire emerged as a shareholder of CFI with 35.00% equity interest. The remaining 65.00% equity interest was held by OCSB (61.88%), Dato' Saw (1.56%) and Saw Ee Chee (1.56%). - We began selling our non-dairy creamers to customers in Malaysia and Singapore.
2004	We disposed of all of CFI's property and business assets to Kerry Ingredients (M) Sdn Bhd (a manufacturer of specialty food ingredients and a subsidiary of Kerry Group plc, a food and beverage company based in Ireland) and ceased our operations.
2007	- Food Empire divested its 35.00% stake in CFI to OCSB, our Promoter and substantial shareholder. - We recommenced our operations and ventured into the trading of malt products such as malt extract powder and malted beverage powder.
2009	We acquired a factory in Kulim, Kedah, where our Kulim Factory is located.
2012	We completed the construction of our Spray Dryer Plant 1 and recommenced our manufacturing and sales of non-dairy creamers.
2015	We developed and commercialised a new product, namely fat powder.
2019	We completed the construction of our Spray Dryer Plant 2 and commenced the production of non-dairy creamers and fat powders in our Spray Dryer Plant 2.
2021	We set up an innovation centre for developing customised solutions and tailor-made specialty food ingredients and food products to meet the evolving customer needs and market trends.
2022	- SGSB acquired a 20.00% equity interest in CFI from OCSB, Dato' Saw, and Saw Ee Chee. - We acquired the malt and cereal products manufacturing business from Family Cereal, a wholly-owned indirect subsidiary of OCSB. Family Cereal operated at the SJ Factory and owned a vacuum belt dryer for the production of malt products, and a drum dryer for the production of cereal products.

7. BUSINESS OVERVIEW

Year	Key events and milestones
2022	CFI acquired CFI BV to focus on the sales and marketing of specialty food ingredients and food products to customers in Europe.
2023	We successfully developed and commercialised a vegan-friendly nutritional lipid powder, namely CUSTOM – Vegan NutriHIFAT.
2024	- We completed the construction of our Spray Dryer Plant 3 and commenced the production of functional lipid powders in our Spray Dryer Plant 3. - We successfully developed and commercialised lecithin powder with enhanced emulsifying properties that readily disperse in water. - We successfully developed and commercialised clouding agent powder, which is used to create a cloudy or opaque appearance in beverages, particularly fruit juices.
2025	We completed the construction of our Spray Dryer Plant 4 for the production of non-dairy creamers and nutritional lipid powders. As at the LPD, Spray Dryer Plant 4 is undergoing commissioning and is expected to commence operations in the fourth quarter of 2025.

7. BUSINESS OVERVIEW

7.2 AWARDS, RECOGNITIONS AND MEMBERSHIPS

As at the LPD, we have been accredited with the following certifications:

Location of operational facilities	Certifications	Issuing party	Validity period
Kulim, Kedah	Food Safety System Certification FSSC 22000	Intertek Certification Limited	10 March 2025 to 20 March 2028
	HACCP Certificate	MOH	8 March 2023 to 7 March 2026
	GMP Certificate	MOH	8 March 2023 to 7 March 2026
	MeSTI Certificate	MOH	8 March 2023 to 7 March 2026
	Roundtable on Sustainable Palm Oil ("RSPO") Supply Chain Certification Standard 2020	Intertek Certification Limited	22 June 2022 to 21 June 2027
	Malaysian Phytosanitary Assurance Scheme	Department of Agriculture Malaysia	15 December 2023 to 31 December 2025
	Veterinary Health Mark Certificate	Department of Veterinary Services Malaysia	14 November 2023 to 31 December 2025
Perai, Penang	Quality Management System ISO 9001:2015	Intertek Certification Limited	17 March 2024 to 29 April 2027
	HACCP Certificate	MOH	13 December 2022 to 12 December 2025
	GMP Certificate	MOH	13 December 2022 to 12 December 2025
	MeSTI Certificate	MOH	13 December 2022 to 12 December 2025

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

- (i) HALAL certifications from JAKIM for 105 of our non-dairy creamers, functional lipid powders, malt and cereal products, as well as packaged oats, instant coffee and instant tea products. These HALAL certifications are valid through dates ranging from October 2025 to April 2028; and
- (ii) Kosher certifications from Kosher London Beth Din for 43 of our non-dairy creamers and functional lipid powders. These Kosher certifications are valid until March 2026.

7. BUSINESS OVERVIEW

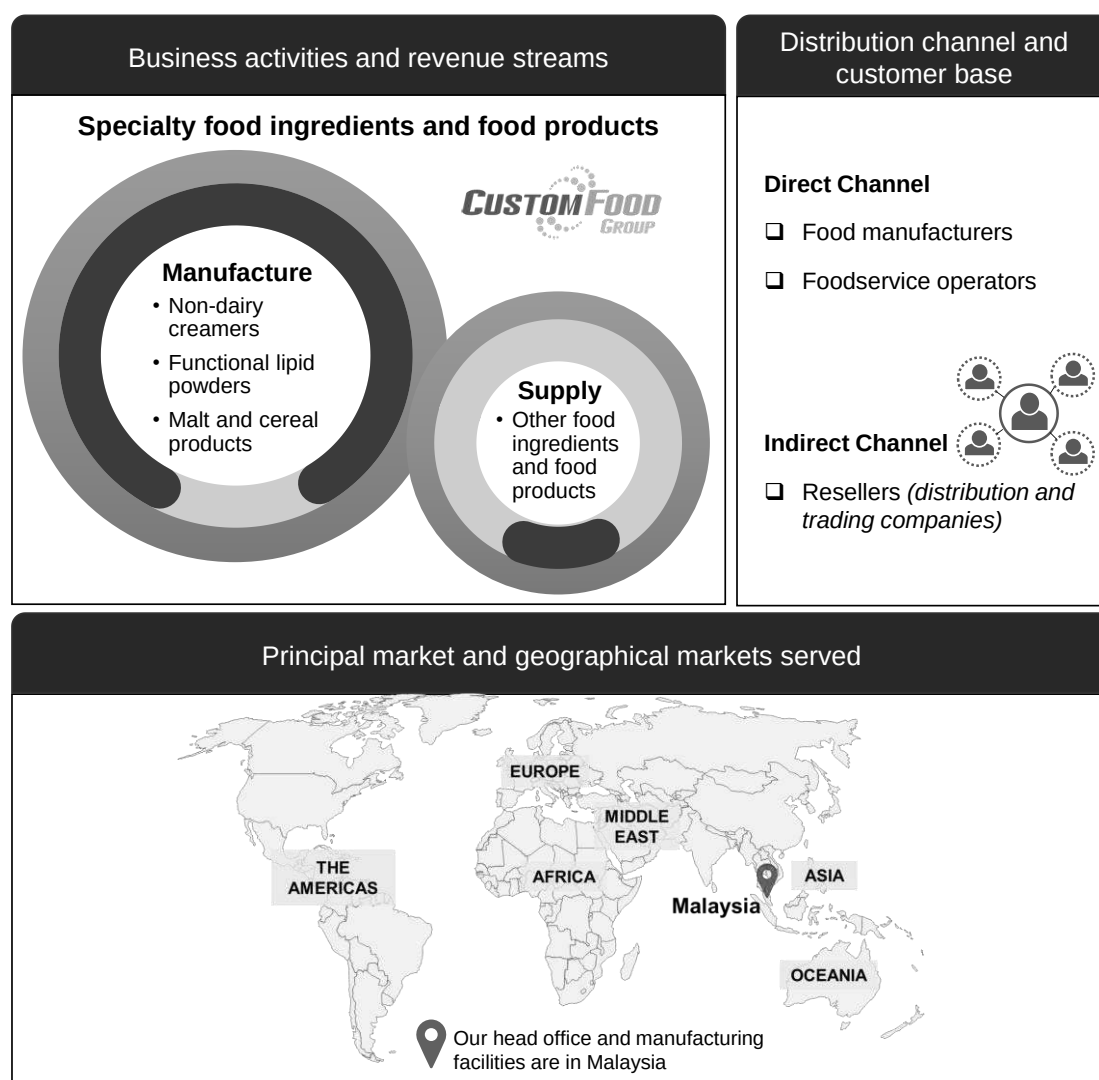
As at the LPD, we are members of the following organisations / associations:

Subsidiary	Organisations / Associations	Member since
CFI	RSPO	November 2016
	Global Organisation for EPA and DHA Omega-3s	July 2023
CFI BV	RSPO	January 2019

7.3 OVERVIEW OF OUR BUSINESS

7.3.1 Our business model

Our business model is depicted in the following diagram:

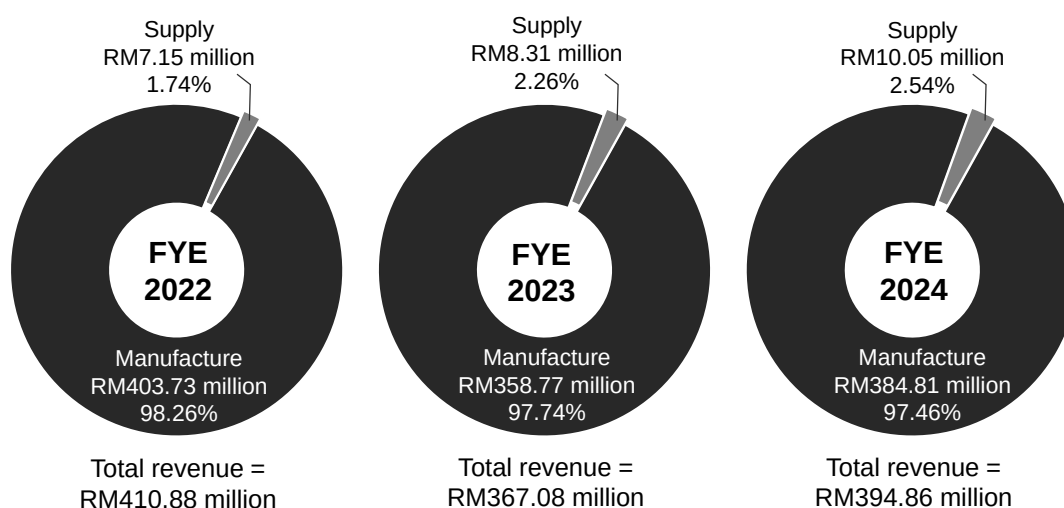


7. BUSINESS OVERVIEW

7.3.2 Business activities and revenue streams

We are principally a manufacturer of specialty food ingredients and food products focusing on non-dairy creamers, functional lipid powders, as well as malt and cereal products. These ingredients and products are used in a wide range of food and beverage applications. We also supply other food ingredients and food products that we purchase from third party suppliers.

Revenue segmentation by business activities



Our Group's business activities are as follows:

(i) Manufacture of specialty food ingredients and food products

Specialty food ingredients are refined or specially processed components used in food and beverage production to provide specific functional, nutritional, sensory, or technological benefits. They enable food manufacturers and foodservice operators to enhance food quality or modify its taste, performance or health attributes. Unlike commodity food ingredients, specialty food ingredients are typically used in smaller quantities due to their targeted and concentrated functionalities.

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

We have two manufacturing facilities as follows:

- (1) a manufacturing facility in Kulim, Kedah, which is equipped with three spray drying plants with a total annual capacity to produce 52,200 tonnes of non-dairy creamers and functional lipid powders, as at the LPD. In addition, once the Spray Dryer Plant 4 has commenced operations, the total annual production capacity of non-dairy creamers and functional lipid powders is expected to increase to 87,200 tonnes; and
- (2) a manufacturing facility in Perai, Penang, which is equipped with one vacuum belt dryer with a total annual capacity to produce 3,600 tonnes of malt products, and two drum dryers with a total annual capacity to produce 3,600 tonnes of cereal products, as at the LPD.

7. BUSINESS OVERVIEW

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

(ii) Supply of other food ingredients and food products

We supply a range of food ingredients and food products to our customers which we do not manufacture and that are sourced from third party suppliers. This enables us to provide convenience to our existing customers and attract new customers by offering a wider range of related products.

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

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

Our revenue contributions by business activities and products for the FYE Under Review are set out below:

	FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%
Manufacturing of specialty food ingredients and food products	403,727	98.26	358,773	97.74	384,815	97.46
• Non-dairy creamers	304,664	74.15	246,579	67.17	249,008	63.06
• Functional lipid powders	50,660	12.33	60,637	16.52	75,281	19.07
• Malt and cereal products	48,403	11.78	51,557	14.05	60,526	15.33
Supply of other food ingredients and food products ⁽¹⁾	7,154	1.74	8,305	2.26	10,049	2.54
Total revenue	410,881	100.00	367,078	100.00	394,864	100.00

Note:

- (1) Include food ingredients and food products that we do not manufacture and that are sourced from third party suppliers, which are mainly (i) malt and cereal ingredients and products; (ii) coffee, tea and cocoa products; (iii) dairy and dairy alternatives; and (iv) sweeteners.

7. BUSINESS OVERVIEW

7.3.3 Principal market of our operations and geographical markets served

We principally operate in Malaysia. For the FYE Under Review, we served customers in Malaysia as well as foreign countries in Asia, the Americas, Europe, the Middle East, Oceania, and Africa. For the FYE 2024, our customer base is spread across 43 countries.

For the FYE Under Review, the breakdown of our revenue by geographical markets (based on customers' invoice addresses) is as follows:

	FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%
Malaysia	189,360	46.09	157,841	43.00	192,797	48.83
Foreign countries	221,521	53.91	209,237	57.00	202,067	51.17
Asia	168,844	41.09	160,533	43.73	156,229	39.57
- Taiwan	22,755	5.54	32,303	8.80	31,275	7.92
- Philippines	29,848	7.26	35,088	9.56	27,550	6.98
- Türkiye	13,711	3.34	21,225	5.78	23,889	6.05
- Vietnam	24,881	6.05	22,955	6.25	23,217	5.88
- Indonesia	37,727	9.18	14,734	4.01	16,554	4.19
- Others ⁽¹⁾	39,922	9.72	34,228	9.33	33,744	8.55
The Americas ⁽²⁾	14,505	3.53	18,438	5.02	18,727	4.74
Europe ⁽³⁾	27,794	6.76	17,791	4.85	15,572	3.94
Others ⁽⁴⁾	10,378	2.53	12,475	3.40	11,539	2.92
Total revenue	410,881	100.00	367,078	100.00	394,864	100.00

Notes:

- (1) Other countries in Asia include Thailand, China, Singapore, Pakistan, South Korea, Sri Lanka, Hong Kong, Bangladesh, India, Myanmar, and Armenia.
- (2) The Americas include Chile, Brazil, Panama, Colombia, the United States of America, Peru, Mexico, Argentina, Paraguay, Costa Rica, and Uruguay.
- (3) Europe includes the Netherlands, Germany, Lithuania, Poland, Belgium, Portugal, Greece, Russia, Italy, Serbia, and Malta.
- (4) Include the Middle East (such as the United Arab Emirates, Jordan, and Lebanon), Oceania (such as Australia), and Africa (such as South Africa, Egypt, and Tanzania).

7. BUSINESS OVERVIEW

7.3.4 Distribution channels and customers

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

We utilise the indirect distribution channel by marketing and selling our products to resellers, which do not use our products directly but resell them in their original form to their network of customers. This includes resellers which are mainly companies with principal activities in trading, retailing, wholesaling, distributing, and/or importing food products. Our indirect distribution channel strategy enables us to use the existing networks and infrastructures of our customers to extend our market coverage without the need for significant investments in human and infrastructure resources.

We also utilise the direct distribution channel by marketing and selling our products directly to food manufacturers and foodservice operators. These customers use our specialty food ingredients and food products to manufacture or process their products. Our direct distribution channel strategy enables us to cultivate long-term business relationships with our customers. This is important to facilitate a better understanding of our customers' requirements, which in turn allows us to improve our product formulation and quality, as well as enable us to develop or enhance our product offerings continuously.

The breakdown of our revenue by distribution channels and types of customers for the FYE Under Review is as follows:

	FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%
Indirect distribution channel	190,356	46.33	207,636	56.56	218,010	55.21
Resellers ⁽¹⁾	190,356	46.33	207,636	56.56	218,010	55.21
Direct distribution channel	220,525	53.67	159,442	43.44	176,854	44.79
Food manufacturers	202,780	49.35	141,020	38.42	160,324	40.60
Foodservice operators	17,630	4.29	18,415	5.02	16,523	4.19
Others ⁽²⁾	115	0.03	7	#	7	#
Total revenue	410,881	100.00	367,078	100.00	394,864	100.00

Less than 0.01%

Notes:

- (1) Include companies with principal activities in trading, retailing, wholesaling, distributing, and/or importing food products.
- (2) Others include sales to our employees for their consumption.

7. BUSINESS OVERVIEW

7.4 MODES OF OPERATION

The following are the modes of operation for our manufacturing and supply segments:

(i) Sales of our brand of specialty food ingredients and food products

Sales of our brand of specialty food ingredients and food products are based on purchase orders placed by customers. In some cases, we collect down payments from customers upon receipt of purchase orders. The purchase order will specify the product type, specification, quantity, agreed price, as well as other terms such as delivery schedule and location. Typically, our regular customers would place their orders every one to three months.

(ii) Sales of contract-manufactured and contract-packed private label brands

We also have arrangements in place for the contract manufacturing and contract packing of non-dairy creamers, malt and cereal products, and other food products under our customers' private label brands. The agreements set out commercial terms including pricing (where relevant and subject to conditions), payment terms, private labelling costs, and other key general terms (such as intellectual property rights, termination, indemnities, and warranty). These agreements do not specify any fixed contract value, and customers are under no obligation to purchase any predetermined quantity of products. Orders are placed on an as-needed basis through purchase orders and invoiced upon delivery. The prices in each purchase order are fixed upon our acceptance.

Generally, we maintain an inventory level of finished goods for our brand of specialty food ingredients and food products of one to two months of sales. For contract-manufactured and contract-packed products, manufacturing and packing are typically carried out after receiving purchase orders from our customers. For selected customers, we may manufacture to stock based on three-month rolling forecasts or historical sales records provided by our customers.

7.5 OUR COMPETITIVE STRENGTHS

7.5.1 We have an established track record of 16 years in the manufacturing of specialty food ingredients to serve as a reference and the platform to sustain and grow our business

We have an established track record of approximately 16 years in the manufacturing of specialty food ingredients, dating back to the commencement of our manufacturing operation of non-dairy creamers from 2001 to 2004, and the recommencement of that operation in 2012. Since then, we have expanded our manufactured product offerings from non-dairy creamers to include, amongst others, fat powder in 2015, malt and cereal products in 2022, vegan-friendly nutritional lipid powder in 2023, and lecithin powder, clouding agent powder, and fish oil powder in 2024. Throughout the years, we have been building market awareness of our manufactured specialty food ingredients and food products, and our "Custom Food Group" brand in the domestic and foreign markets.

We have developed and maintained long-term relationships with our customers. As at the LPD, our top five customers for FYE 2024 have been with us for three to 10 years.

In this regard, our track record and established market presence for our manufactured products serve as important references and evidence of our product quality, enabling our Group to grow its business both domestically and in foreign countries.

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7.5.2 We have a wide geographical coverage including Malaysia and 42 foreign markets, providing us with a large addressable market

For the FYE 2024, we serve customers in Malaysia and 42 foreign markets in Asia, the Americas, Europe, the Middle East, Oceania, and Africa. This presents us with a large addressable market to grow our business. In addition, our wide geographical coverage minimises over-dependency on any one or small group of countries. Revenue derived from foreign markets collectively accounted for 51.17% of our total revenue for FYE 2024, with Asia contributing 39.57% of our total revenue. Within Asia, Taiwan, the Philippines, Türkiye, Vietnam, and Indonesia were our top five largest exporting countries, representing 7.92%, 6.98%, 6.05%, 5.88%, and 4.19% of our total revenue, respectively, in FYE 2024. This demonstrates our ability to tap into various foreign markets successfully.

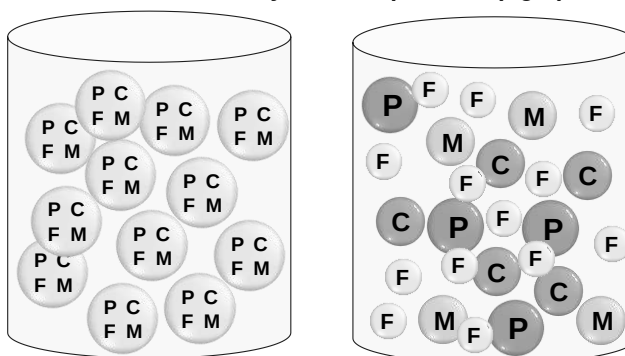
Furthermore, our access to diverse geographical markets has been driven largely by our indirect distribution channels, allowing us to extend our market coverage without the need for significant investments in human and infrastructure resources.

7.5.3 We have expertise in microencapsulation technology using spray drying systems to manufacture our non-dairy creamers and functional lipid powders

Microencapsulation is achieved using our spray drying systems, where tiny particles of food ingredients are encapsulated with a protective material to form microscopic capsules. This protective material is designed to protect the sensitive oils used in our non-dairy creamers and functional lipid powders from deterioration caused by exposure to water, oxygen, and light. Successful microencapsulation depends on selecting the appropriate ingredients and applying processing techniques tailored to the specific oil being encapsulated.

Compared to conventional dry blending methods, microencapsulation offers several critical advantages. Each microcapsule contains a uniform blend of nutrients, ensuring that nearly all of the powder maintains a consistent nutritional profile. In contrast, dry-blended powders often exhibit inconsistent particle sizes and densities, resulting in uneven nutrient distribution, segregation during storage, and inconsistent product quality. Our microencapsulated powders deliver improved solubility, smoother mouthfeel, and better dispersibility, helping us to meet the demands of consumers who seek high-performance, stable, and convenient functional food products.

Illustration of uniform distribution of nutrients in microencapsulated powders (left) compared to inconsistent particle size and uneven distribution of nutrients in dry-blended powders (right)



P = Protein, C = Carbohydrate, F = Fat / Oil, M = Miscellaneous

We are also supported by our in-house R&D team, which works with a diverse range of oils and fats, including palm kernel olein, palm oil, palm olein, palm stearin, hydrogenated coconut oil, MCT oil, high oleic sunflower oil, canola oil, avocado oil, fish oil, and algae oil, tailored to specific nutritional and functional goals during the microencapsulation process. Our R&D team selects input materials for their compatibility and protective properties, such as minimising oxidation, moisture absorption, flavour migration, and nutrient loss. This ensures the products' intended functionality and sensory characteristics throughout their shelf life.

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Further, microencapsulation contributes significantly to production and supply chain efficiency. Our R&D team can develop fully formulated microencapsulated powders that incorporate the necessary macronutrients and micronutrients, tailored to meet specific nutritional and functional targets. These ready-to-use, formulated ingredients are designed to require minimal processing, simplify inventory management and shorten production time.

In addition, our use of the Filtermat and multi-stage tall-form spray drying systems further enhances our capability in the microencapsulation manufacturing process. The multi-stage tall-form spray drying system is particularly well-suited for producing free-flowing powders with controlled moisture content, while the Filtermat spray drying system is designed for drying high-fat-content or heat-sensitive formulations. These systems reduce thermal stress on ingredients, enabling us to achieve better product performance and consistency by preserving the structure, colour, flavour, and nutritional value of the final product.

As at the LPD, we operate two Filtermat spray drying systems (operational since 2012 and 2019), which are primarily used for the production of our non-dairy creamers and fat powders. A third Filtermat spray drying system, operational since 2024, focuses on producing our functional lipid powders, thereby expanding our ability to serve the nutrition and health food market. Additionally, we anticipate commencing operations of a fourth multi-stage tall-form spray drying system in the fourth quarter of 2025, which will be used for the production of our non-dairy creamers and nutritional lipid powders.

7.5.4 We have a dedicated innovation centre that supports product development and business growth

Since commencing our innovation centre in 2021, our cumulative investment in pilot-scale plants and application labs has reached RM6.34 million, as at the LPD. This investment has enabled us to conduct trial runs and develop diverse formulations and recipes for our manufactured specialty food ingredients and food products, tailored to specific customer needs. Our R&D capabilities also drive the expansion of our product offerings, allowing us to stay ahead of market trends and capitalise on emerging opportunities.

Our innovation centre houses two pilot-scale plants for spray drying and vacuum belt drying. Complementing these are four application labs including a bakery lab to support small-scale testing and development of baked goods, a flavouring lab to design the processed flavours recipe and conduct testing in snack application, a food service lab to create, test, and improve food and drink products, and a savoury lab to formulate, test, and conduct quality assessment of our savoury food products. As at the LPD, we have a team of 13 personnel who are directly involved in R&D activities at our innovation centre.

Additionally, we have successfully commercialised several new products following the establishment of our innovation centre in 2021, which has enabled us to enter new markets such as nutrition and health food. Please refer to Section 7.11.2 of this Prospectus for details on our achievements in R&D.

7.5.5 We can accommodate new and/or small-batch runs before scaling to higher volumes, supported by our R&D and flexible manufacturing facilities

We offer flexible manufacturing capabilities, ranging from large-scale commercial manufacturing to pilot-scale and small-scale production for new or enhanced formulations. This flexibility allows us to accommodate customers with low initial order quantities for our new or enhanced formulations. As these formulations gain market acceptance, we are able to benefit from the increased orders from our customers and scale to higher production volumes.

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For the FYE Under Review, we have developed new / enhanced formulations and supported customers in scaling their purchases. This is evidenced from the increasing purchase order quantities for our lecithin powder and our customised non-dairy creamer (latte-style creamy flavour and milky mouthfeel) from our customers, with volumes increasing in line with market demand.

Our capabilities cover the entire product lifecycle, from product development supported by our pilot-scale plants, application labs, and R&D personnel, to high-volume production. This flexibility gives our customers a strategic advantage, allowing them to innovate, adapt quickly, and accelerate time-to-market. As a result, this positions us as a manufacturing partner for customers operating in the dynamic food and beverage industry.

7.5.6 We have quality control facilities and food safety certifications to help ensure product quality and safety

Manufacturing products that meet performance standards, customer specifications, and food safety requirements is paramount to us. To ensure this, our SJ Factory is ISO 9001 certified, and our Kulim Factory holds the Food Safety System Certification FSSC 22000, facilitating consistent product quality and food safety standards. Additionally, our non-dairy creamers, functional lipid powders, and malt and cereal products are manufactured under HACCP, GMP, and MeSTI certifications. These certifications assure our customers of our adherence to recognised quality standards, processes, and quality management systems for our manufactured specialty food ingredients and food products.

Furthermore, our manufacturing plants are equipped with quality control and testing facilities, with checks conducted at all stages of production, from incoming materials to in-process monitoring and final product testing. As at the LPD, we have five registered food analysts, each holding a valid practising certificate under the Food Analyst Act 2011, who are authorised to conduct food analyses and issue Certificate of Analysis to our customers. These measures collectively ensure that our products meet the technical specifications and food safety standards, safeguard our brand reputation, and maintain business relationships.

7.5.7 We have both direct and indirect distribution channels to maximise our sales and marketing coverage

We use both direct and indirect distribution channels to maximise our sales and marketing effectiveness and broaden our market reach.

We utilise the direct distribution channel by marketing and selling our products directly to food manufacturers and foodservice operators. Revenue from our direct distribution channel amounted to RM220.53 million (53.67%), RM159.44 million (43.44%), and RM176.85 million (44.79%) of our total revenue in FYE 2022, FYE 2023, and FYE 2024 respectively. Our direct distribution channel strategy allows for more direct engagement with our customers, enabling more efficient communication, better understanding of our customer requests, and greater control over our sales and marketing activities.

We also utilise the indirect distribution channel by marketing and selling our products to our customers, comprising resellers with principal activities in trading, retailing, wholesaling, distributing, and/or importing food products. Revenue from our indirect distribution channel amounted to RM190.36 million (46.33%), RM207.64 million (56.56%), and RM218.01 million (55.21%) of our total revenue in FYE 2022, FYE 2023, and FYE 2024 respectively. Our indirect distribution channel strategy enables us to use the existing networks and infrastructures of our customers to extend our market coverage without the need for significant investments in human and infrastructure resources.

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In FYE 2024, we served a diverse customer base of approximately 450 customers through both direct and indirect distribution channels, comprising food manufacturers, foodservice operators, and resellers. This balanced mix of direct and indirect customers provides us with a stable platform for growth, enabling us to capture opportunities across different segments of the food industry while mitigating reliance on any single channel.

In addition, we actively participate in international trade exhibitions and industry events as part of our sales and marketing initiatives. These platforms enable us to showcase our product offerings and engage directly with potential customers, namely food manufacturers, foodservice operators, and resellers. Through these exhibitions, we also gather market intelligence, stay up-to-date on industry trends, and explore new business opportunities.

7.5.8 We have an experienced Managing Director and a Key Senior Management team to grow our business

We have an experienced management team headed by our Managing Director, Dato' Saw, who is responsible for spearheading and overseeing the overall direction of our Group. Our Managing Director brings with him more than 30 years of work experience in the food ingredients and food products industry.

He is supported by our Key Senior Management as follows:

- Gijsbert van Weelden, our Chief Operating Officer, who brings with him more than 30 years of work experience in the food and beverage manufacturing production and operations. He is currently responsible for overseeing the operations of our Group and management of the operation plants;
- Tan Eng Kiau, our Senior General Manager, who brings with him more than 20 years of work experience in sales and marketing. He is currently responsible for overseeing the sales and marketing, and procurement of our Group;
- Yeow Poh Ling, our Chief Financial Officer, who brings with her more than 30 years of work experience in audit, financial reporting and accounting. She is currently responsible for managing and overseeing all aspects of our Group's corporate finance, treasury and group reporting; and
- Chang Shey Ling, our Deputy General Manager, who brings with her more than 20 years of work experience in quality assurance, and business and product development. She is currently responsible for research and product development, as well as business development of our Group.

We believe our experienced management team will help to sustain and grow our business. Please refer to Sections 5.1.2 and 5.4.3 of this Prospectus for the profiles of our Managing Director and other Key Senior Management respectively.

7.6 PRINCIPAL BUSINESS ACTIVITIES, PRODUCTS AND SERVICES

7.6.1 Manufacture of specialty food ingredients and food products

7.6.1.1 Overview

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

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The broad definition of food ingredients encompasses all food items used in producing the final ready-to-eat or drink products. Our focus is on manufacturing specialty food ingredients that enhance food and beverage products such as improving their texture, appearance, taste, nutritional value, and convenience. Our manufactured specialty food ingredients are also used in developing products for specific dietary needs and health conditions, thereby expanding consumer choices.

Furthermore, we also manufacture food products in the form of final ready-to-eat or drink products such as our malt and cereal products.

7.6.1.2 Our manufactured specialty food ingredients and food products

For the FYE Under Review, we manufacture three product groups of specialty food ingredients and food products, which are non-dairy creamers, functional lipid powders, as well as malt and cereal products.

(i) Non-dairy creamers

A non-dairy creamer, also commonly known as a coffee whitener or tea whitener, is a manufactured product in liquid or granular form designed to substitute milk or cream in beverages such as coffee, tea, and chocolate drinks.

Our non-dairy creamers are manufactured and sold in powder form. They are lactose-free but contain milk protein (acid casein), except our vegan creamer, which contains acacia gum to replace milk protein. Our non-dairy creamers' main composition includes vegetable oils and fats, glucose syrup, emulsifiers, stabilisers, thickeners, flavours, colourings, pH buffers and anti-caking agents.



Our non-dairy creamers are formulated for use in a wide range of food products such as coffee, latte, cappuccino, milk tea, chocolate drink, instant cereal drink, seasoning premixes, soups, sauces, ice cream, pudding, milk candies, cereal bar snacks, cakes, biscuits, filled milk, and ready-to-drink products.

We produce various types of non-dairy creamers with the following characteristics:

- **Sensory attributes:** Milky taste, creamy mouthfeel, and good whitening effect;
- **Functional properties:** Good solubility and wettability; and
- **Nutritional and dietary attributes:** Low sugar level, high fibre content, dairy and allergen-free, and vegan friendly.

We have 74, 94, and 109 active formulations for our non-dairy creamers for FYE 2022, FYE 2023, and FYE 2024 respectively. An active formulation refers to a specific formula with at least one sale in the respective financial years.

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(ii) Functional lipid powders

Lipids are a broad category of naturally occurring compounds that are hydrophobic (do not mix with water), with fats and oils being the most familiar examples. Our functional lipid powders are powdered forms of fats or oils engineered to provide specific health benefits or functional properties beyond basic nutrition. These powders are often used in food, beverage, nutraceutical, and health supplement formulations where delivering lipids in a stable and convenient form is essential.

We manufacture the following types of functional lipid powders:



- Fat powders:** These are a powdered form of vegetable fats, typically derived from sources such as palm oil or coconut oil, with a fat content of up to 80%. These powders offer good emulsion stability and serve as a convenient, shelf-stable fat source for various food applications. Our fat powders can be formulated for functional purposes, including use as a whipping agent in whipped topping powder, a clouding agent in beverages or as an ingredient in food mixes, filled milk, seasoning premixes, processed meats, confectionery, and bakery products.

Our fat powders' main composition includes palm oil or coconut oil, milk protein (acid casein), glucose syrup, emulsifiers, stabilisers, thickeners, flavours, pH buffers, and anti-caking agents.

The following is our range of fat powders:

Product type / Brand	Characteristics	Applications
Standard palm oil or coconut oil powder / CUSTOM – HIFAT	- Imparts creaminess and whitening effect - Flexibility in fat source - Easy storage - Stable shelf life - Good emulsifying property	Seasoning premixes, processed meats, soups, sauces, batter, ice cream, bread, pancakes, cakes, muffins, biscuits, cookies, filled milk, cheese powder, and pasta products
Clouding agent / CUSTOM – Cloud	- Add cloudiness to beverages - Odourless and neutral in taste - Stable shelf life - Applicable at variable temperatures - Natural appearance and consistency of the end product	Fruit powder premix, carbonated drinks, and fruit beverages
Whipped topping powder / CUSTOM – Whip	- Good aeration - Excellent volume - Stable structure - Easy to prepare and handle - Stable shelf life	Beverage topping, milkshake, ice cream, mousse, pastry topping, pastry filling, desserts, and cream filling

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We have 16, 18, and 26 active formulations for our fat powders for FYE 2022, FYE 2023, and FYE 2024 respectively. An active formulation refers to a specific formula with at least one sale in the respective financial years.

- **Nutritional lipid powders:** These are powdered forms of beneficial lipids specifically developed to deliver nutritional benefits. They are typically used in functional foods, nutraceuticals, and infant formulas.

We produce our nutritional lipid powders from refined or natural cold-pressed oils such as MCT oil, high oleic sunflower oil, canola oil, olive oil, soybean oil, avocado oil, and Sacha Inchi oil that contain Omega 3, 6 and 9 fatty acids, except for MCT oil.



We also produce DHA / EPA powder and lecithin powder, both with their respective beneficial properties.

Our nutritional lipid powders' main composition includes refined or natural cold-pressed oils, glucose syrup, emulsifiers, stabilisers, thickeners, flavours, pH buffers, and anti-caking agents. In addition, we formulate our nutritional lipid powders with milk protein derived from acid casein or a vegan alternative formulated with acacia gum.

We also offer customised blends formulated with various nutritional lipid sources to achieve specific fatty acid profiles. These blends can be tailored to support the nutritional needs of different target groups, including those with specific dietary needs.

The following is our range of nutritional lipid powders:

Brand	Product type	Characteristics	Applications
CUSTOM – NutriHIFAT	MCT, sunflower, canola, soybean, and Sacha Inchi oil powder	- Contains up to 80% nutritional oil - Contains Omega 3, 6 or 9 fatty acids / MCT - Neutral in flavour and blends well with other products	Nutrition beverages and supplements, functional food and beverages, and meal replacement products
CUSTOM Vegan – NutriHIFAT	MCT, sunflower, canola, olive, and avocado oil vegan powder	- Same features as above - Plant-based / vegan option using acacia gum	Nutrition beverages and supplements, functional food and beverages, and meal replacement products

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Brand	Product type	Characteristics	Applications
O'Life DHA / EPA powder	Encapsulated DHA / EPA	- Omega-3 fatty acids sourced from fish and/or algae with various concentrations of DHA and EPA content - Contains up to 50% fat, 22% DHA and 25% EPA content - Low odour - Stable shelf life	Infant formula, functional food and beverages, nutritional beverages and supplements
CUSTOM – Lec	Lecithin powder	- Excellent emulsifier that prevents the separation of oil and water - Maintain food stability - Provides choline as a nutrient - Helps prevent food from sticking to heating equipment or contact surfaces	Bakery and nutrition products

We have a total of 12, 23, and 46 active formulations for our nutritional lipid powders for the FYE 2022, FYE 2023, and FYE 2024 respectively. An active formulation refers to a specific formula with at least one sale in the respective financial years.

- Flavours:** These are ingredients that are used to impart or enhance a specific taste or aroma in food and beverages. Our manufactured flavoured lipid powders include, amongst others, butter-flavoured fat powder, cheese powder, soft serve powder, and instant coconut powder.

Our flavours range of products' main composition includes dairy derivatives such as milk powder, cheese, butter, vegetable fats, sweeteners, emulsifiers, and stabilisers.



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Our range of flavours includes, amongst others, the following:

Product type / Brand	Characteristics	Applications
Butter-flavoured fat powder / CUSTOM – HIFAT	- Imparts creaminess, mouthfeel, and butter flavour - Offers the same flavour, taste and mouthfeel as pure butter powder - Substitute for block butter - Stable shelf life	Cakes, bread, muffins, biscuits, mashed potatoes, seasoning, and dairy blends
Cheese powder / CUSTOM – CHEESE	- Imparts cheese flavour and creamy taste - Enhances the texture and mouthfeel of end products - Offers convenience and easy handling - Easily blends with other dry ingredients	Seasoning, sauces, dips, soup, cakes, bread, cream filling, and dairy blend
Soft serve powder / CUSTOM – Soft	- Ready-to-use, cold water-soluble soft serve ice cream powder that is easy to operate, has a longer shelf life, and is available in various flavours	Ice cream
Instant coconut powder / CUSTOM – Instant coconut powder	- Ready-to-use water-soluble coconut powder with aromatic coconut milk flavour, creamy texture, and whitening effect. - Natural and rich coconut aroma retained - Convenient and easy to use - Long shelf life compared to fresh coconut	Milk tea, coffee, instant drinks, curries, cream filling, reconstituted coconut milk for desserts, whipped cream, and mousse

We have a total of 16, 26, and 37 active formulations for our flavours range of products for the FYE 2022, FYE 2023, and FYE 2024 respectively. An active formulation refers to a specific formula with at least one sale in the respective financial years.

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(iii) Malt and cereal products

We manufacture the following types of malt and cereal products:

- Malt products:** These are food products derived from cereal grains, commonly barley, that have undergone a controlled germination process known as malting. During malting, the grain is soaked in water, allowed to sprout, and then dried to stop the germination process. This process activates the enzymes that break down the starches in the grain into sugars, which gives malt its characteristic sweetness and nutritional profile.



Our malt products' main composition includes malt extracts, glucose syrup, emulsifiers, stabilisers, thickeners, flavours, and colourings.

The following is our range of malt products:

Product type / Brand	Characteristics	Applications
Malt extract powder / CUSTOM – Malt	- Instantised powder which dissolves easily in water - Available in different colours ranging from light to dark colours	Instant malted drinks, coffee, chocolate, ice cream, biscuits, cookies, bread, cakes, cream filling, and breakfast cereal / muesli
Malted chocolate milk powder / CUSTOM – MaltCoco	- Instantised powder which dissolves easily in water - Variety of taste profiles to suit target market - Selection of particle size to suit specific application	Instant chocolate malt drinks, mocha drinks, ice cream, chocolate bars, cookies, cakes, biscuits, bread, and cream filling
White malted beverage powder / CUSTOM – MaltedMilk	- Instantised powder which dissolves easily in water - Variety of taste profiles to suit target market - Selection of particle size to suit specific application	Instant malted drinks, coffee, chocolate, ice cream, biscuits, cookies, bread, cakes, cream filling, and breakfast cereal / muesli
Malted beverage crunchy / CUSTOM – Crunchy	- Crunchy and crispy texture - Selection of particle size to suit specific application	Beverage and dessert toppings, filling in sweets and pastries, dipping sauce or spread

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Product type / Brand	Characteristics	Applications
Honey powder / CUSTOM – Honey	- Instantised powder which dissolves easily in water - Easy to handle and longer shelf life compared to honey	Instant nutritious drinks, seasoning premixes, candies, biscuits, breakfast cereal / muesli, bread, cakes, ice cream, and other bakery products

We have a total of 39, 48, and 51 active formulations for our malt products for the FYE 2022, FYE 2023, and FYE 2024 respectively. An active formulation refers to a specific formula with at least one sale in the respective financial years.

- Cereal products:** These are made from cereal grains such as oats, wheat, rice, corn, soy, or barley, processed into flakes and powders. They are designed for quick preparation and consumption, often as part of a convenient breakfast or functional food formulation.

Our cereal products' main composition includes multigrains, such as wheat, corn, soy, rice, oats and malted barley, as well as sweeteners.



The following is our range of cereal products:

Product type / Brand	Characteristics	Applications
Instant malt extract cereal / CUSTOM – Cereal	- Easy to use - Specialty and functional types available based on the customer's needs - Chocolate, mango, matcha, and strawberry flavours	Instant cereal drinks, seasoning premixes, cakes, biscuits, cookies, cereal bars, and cooked food
Cereal powder / CUSTOM – Cereal	- Able to dissolve and hydrate easily in water, milk or formula to form a smooth porridge - Imparts natural sweetness from wheat and rice flour	Baby porridge premix, and baby finger food
Hydrolysed oat powder / CUSTOM – Oat	- Imparts natural sweetness from oats - Good solubility in water - Plant-based source of protein and fibre	Instant drinks, chocolate drinks, ready-to-drink, nutritious drinks, cereals, biscuits, cakes, and cookies
Oat powder / CUSTOM – Oat powder	- Selection of particle sizes available to suit specific applications - Provides a thickening effect	Instant nutritious drinks, biscuits, cookies, cakes, pancakes, and bread

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We have a total of 18, 21, and 24 active formulations for our cereal products for the FYE 2022, FYE 2023, and FYE 2024 respectively. An active formulation refers to a specific formula with at least one sale in the respective financial years.

7.6.2 Supply of other food ingredients and food products

We also supply a range of food ingredients and food products to our customers which we do not manufacture and that are sourced from third party suppliers. This enables us to provide convenience to our existing customers and attract new customers by offering a wider range of related products.

Activities under our supply segment involve the following:

- Trading, where we buy the food ingredients and food products, and sell them in their original packaging;
- Repacking, where we would break bulk the food ingredients and food products, and repack them into smaller pouch packages; and
- Dry blending, where we blend multiple food ingredients and package them into food products.

Under our supply segment, we distribute food ingredients and food products that are sold either unbranded or under our suppliers' brands. In some instances, we undertake contract packing arrangements, where the food ingredients and food products are repacked or blended, and subsequently sold under our customers' private label brands.

The types of food ingredients and food products that we supply mainly include the following:

- **Malt and cereal ingredients and products:** Instant oats, quick cooking oats, rolled oats, liquid and powdered malt extract, brown rice powder, and muesli;
- **Coffee, tea and cocoa products:** Instant coffee powder, instant tea powder, freeze-dried coffee, cocoa powder, agglomerated coffee, and instant chicory powder;
- **Dairy and dairy alternatives:** Goat milk powder and soymilk powder; and
- **Sweeteners:** Maltodextrin.

7.7 OPERATIONAL FACILITIES

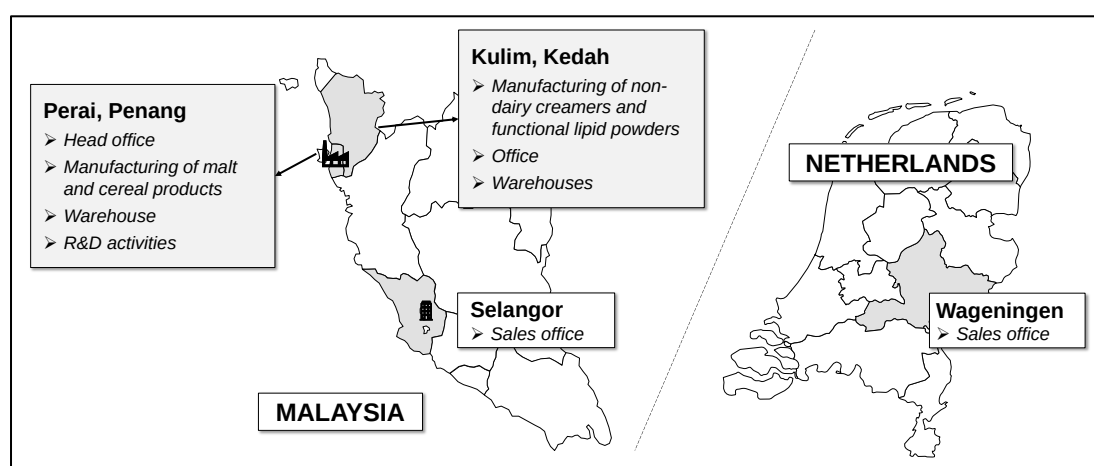
As at the LPD, the locations of our operational facilities are as follows:

Companies within our Group	Main functions	Approximate built-up area (sq. m.)	Ownership	Address
CFH and CFI	Head office, manufacturing of malt and cereal products, and R&D activities	6,663	Rented	2931, Lorong Jelawat 1, Kawasan Perusahaan Seberang Jaya, 13700 Perai, Penang

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Companies within our Group	Main functions	Approximate built-up area (sq. m.)	Ownership	Address
CFI	Warehouse	4,481	Rented	2587, Lorong Jelawat 1, Kawasan Perusahaan Seberang Jaya, 13700 Perai, Penang
	Office, warehouse and manufacturing of non-dairy creamers and functional lipid powders	26,203	Owned	Lot 24, Lorong Perusahaan 2B, Kawasan Perusahaan Kulim, 09000 Kulim, Kedah
	Warehouse	4,048	Rented	No. 53A & 53B, Lorong Perusahaan 2, Kawasan Perusahaan Kulim, 09000 Kulim, Kedah
	Sales office	335	Rented	Unit D3A-1-1 (First Floor) Block D3A, Dana 1 Commercial Centre, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor
CFI BV	Sales office	78	Rented	Generaal Foulkesweg 9, 6703BH, Wageningen, the Netherlands

The following diagram sets out the main functions for each of our operational facilities:



7. BUSINESS OVERVIEW

7.8 KEY MACHINERY AND EQUIPMENT

As at the LPD, the key machinery and equipment that we use for our manufacturing operations include the following:

Kulim Factory (Kedah)

Key machinery and equipment	Brief description	Number of lines / units	Age as at the LPD ⁽¹⁾ (years)	Net book value as at 31 December 2024 (RM'000)
Spray dryer		3 lines ⁽²⁾		
- Spray Dryer Plant 1	Focuses on the manufacturing of non-dairy creamers and functional lipid powders		13	1,363
- Spray Dryer Plant 2	Focuses on the manufacturing of non-dairy creamers and functional lipid powders		6	8,541
- Spray Dryer Plant 3	Focuses on the manufacturing of functional lipid powders		1	16,432
Blending equipment	To blend and mix the feed input	1 unit	9	60
Down packaging equipment	To pack the food ingredients into pouches	1 unit	7	197

Notes:

- (1) Age refers to the number of years since the machinery and equipment became operational.
- (2) A spray dryer line includes the equipment to mix and emulsify the feed input, the spray drying equipment, and the packaging equipment.

SJ Factory (Penang)

Key machinery and equipment	Brief description	Number of lines ⁽¹⁾	Average age as at the LPD ⁽²⁾ (years)	Net book value as at 31 December 2024 (RM'000)
Drum dryer	To manufacture cereal products	2 lines	17	4,012
Vacuum belt dryer	To manufacture malt products	1 line	18	2,570

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Notes:

- (1) A line includes the equipment to mix and emulsify the feed input, the drum drying equipment or the vacuum belt drying equipment, and the packaging equipment.
- (2) Average age refers to the average number of years since the machinery and equipment became operational.

7.9 PRODUCTION CAPACITY, OUTPUT AND UTILISATION

(i) Manufacturing of non-dairy creamers and functional lipid powders

Our non-dairy creamers and functional lipid powders are manufactured using our spray dryer plants, and their production capacity, production output, and utilisation rate are as follows:

Non-dairy creamers and functional lipid powders	Number of lines	Production capacity ⁽¹⁾ (tonnes)	Production output (tonnes)	Utilisation rate (%)
FYE 2022	2	48,000	41,583	87
FYE 2023	2	50,400 ⁽²⁾	36,939	73
FYE 2024	3	52,200 ⁽³⁾	39,942	77

Notes:

- (1) Production capacity is calculated based on machine capacity running 24 hours per day, averaging 310 days a year (365 days a year, less 15% for downtime, cleaning, repair and maintenance).
- (2) In FYE 2023, there were upgrading works involving the installation of additional spray nozzles and increasing air flow, resulting in an increase in production capacity from 48,000 tonnes to 50,400 tonnes.
- (3) In FYE 2024, Spray Dryer Plant 3 commenced operations, and it has a smaller production capacity compared to the other two.

(ii) Manufacturing of malt products

Our malt products are manufactured using our vacuum belt dryer, and their production capacity, production output, and utilisation rate are as follows:

Malt products	Number of line	Production capacity ⁽¹⁾ (tonnes)	Production output (tonnes)	Utilisation rate (%)
FYE 2022	1	3,600	3,036	84
FYE 2023	1	3,600	3,195	89
FYE 2024	1	3,600	3,261	91

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Note:

- (1) Production capacity is calculated based on machine capacity running 24 hours per day, averaging 328 days a year (365 days a year, less 10% for downtime, cleaning, repair and maintenance).

(iii) Manufacturing of cereal products

Our cereal products are manufactured using our drum dryers, and their production capacity, production output, and utilisation rate are as follows:

Cereal products	Number of lines	Production capacity ⁽¹⁾ (tonnes)	Production output (tonnes)	Utilisation rate (%)
FYE 2022	2	3,000	1,871	62
FYE 2023	2	3,600 ⁽²⁾	1,827	51
FYE 2024	2	3,600	2,077	58

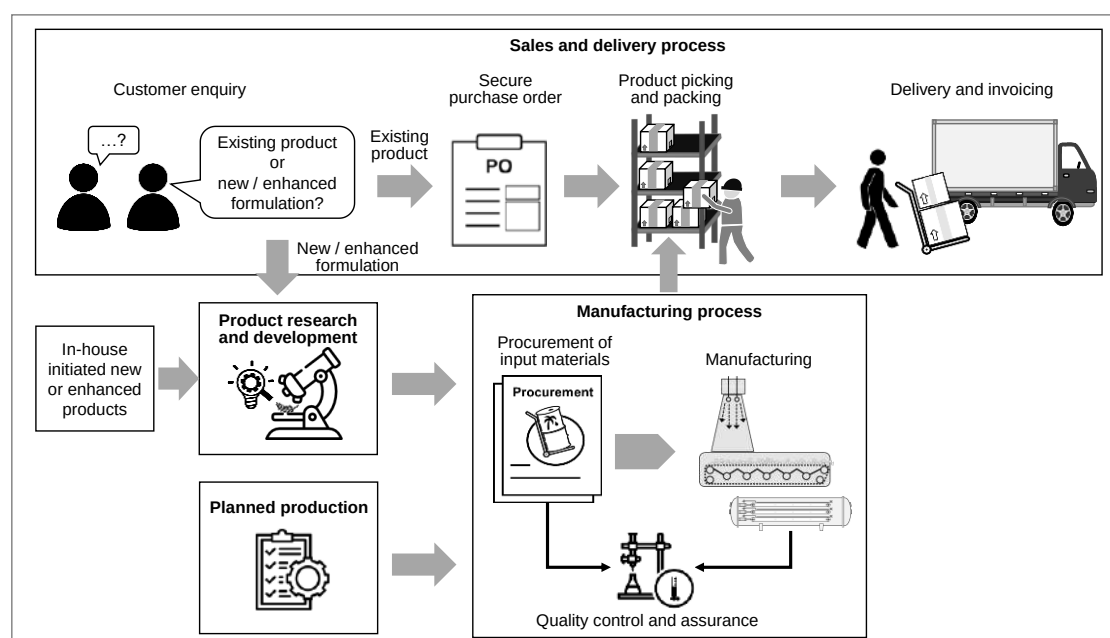
Notes:

- (1) Production capacity is calculated based on machine capacity running 24 hours per day, averaging 328 days a year (365 days a year, less 10% for downtime, cleaning, repair and maintenance).
- (2) In FYE 2023, we replaced the old drum dryer with a new drum dryer, resulting in a change in production capacity from 3,000 tonnes to 3,600 tonnes.

7.10 PROCESS FLOW

7.10.1 Manufacturing of specialty food ingredients and food products

The diagram below illustrates the general process flow of our manufacturing segment:



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(i) Sales and delivery process

(a) Customer enquiry

Our sales process starts with an enquiry or quotation request from existing or potential customers. We then conduct a preliminary consultation to understand their specific requirements and the desired specifications for our specialty food ingredients and food products in their intended application.

For requests involving our existing products, we proceed directly to the purchase order stage. However, if a new or enhanced formulation is sought, the request will be sent to our R&D team.

(b) Secure purchase order

A purchase order will be issued by our customer once the required product, quantity, delivery schedule, and pricing are confirmed and our customer accepts the quotation.

(c) Product picking and packing

If the requested items are in stock, we will issue picking slips to our warehouse personnel so they can pick and pack the required quantity. If the products are not in stock, we will promptly inform the production department of the required items and quantities.

(d) Delivery and invoicing

We will typically deliver the products via land transportation for Peninsular Malaysia customers, and sea freight for East Malaysia and international customers. All domestic and international deliveries are handled through third-party logistics providers. The delivery cost is integrated into our product prices, and we do not impose separate charges for shipping.

Customers can also collect their orders directly from our warehouses. Upon receipt of the goods, a signed and stamped delivery order serves as delivery confirmation. Our invoice will be enclosed with the delivery order.

For customers in Malaysia, the delivery of goods would typically take at least one week. For foreign customers, the delivery of goods would typically take at least one month to reach the shipment destination.

(ii) Product research and development

(a) New product idea proposal

The process starts with a new or enhanced product idea submitted to our R&D team. These proposals can originate from direct customer enquiries or internal initiatives to expand our Group's product line. Each proposal would detail the proposed product specifications, anticipated outcomes, known challenges, and target cost to facilitate evaluation.

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Our R&D team then assesses the request to determine if the proposed changes to an existing product are minor or significant. For minor modifications, our R&D team directly prepares samples with varying ratios of product components, potentially including new ones or removing existing ones, and proceed to trial runs. Examples of minor changes include alterations or replacements of raw materials from different suppliers, and the addition or removal of certain constituents to achieve a specific simple taste profile, such as less sweet.

Conversely, significant changes to an existing product or the creation of a new product would necessitate a feasibility study. These significant changes may arise from requests from our customers, or from our R&D initiatives to develop new products and/or improve our existing products in areas such as appearance, creaminess, and mouthfeel. Significant changes may require changes to the normal process flow or the addition of new equipment.

(b) Feasibility study for significant changes

We conduct a feasibility study in-house. The feasibility study evaluates the ability to meet customer or product outcome requirements and specifications. It also checks the availability of necessary resources (e.g. manpower, machinery, and input materials), assesses compliance with regulatory standards, estimates production costs, gauges market demand, and includes financial modelling to determine economic viability and attractiveness.

If the feasibility study confirms the product concept is economically viable, we will move to the development phase. This involves sourcing new input materials or using existing ones. New input materials are evaluated for their composition, including allergen content, regulatory compliance, and specific storage conditions. These new input materials are then appropriately labelled and stored separately from regularly used input materials to prevent cross-contamination.

(c) Conducting trial runs

Our R&D team will then prepare a trial run report outlining the proposed formulation, process parameters, hazard and allergen information, product storage conditions, product labelling requirements, shelf-life study plans, and product allocation strategy. Trial runs are then conducted on the pilot-scale plants. During this stage, important design outputs such as formulation details, processing conditions, product characteristics, and sensory evaluation results are recorded.

(d) Internal and customer product acceptance

After the trial runs, product samples are produced and subject to controlled taste tests involving both in-house staff and external participants. If a potential customer has submitted an R&D request for new product proposal, the product samples are also provided to them for acceptance testing. Alternatively, they may participate in our controlled taste tests.

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

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(iii) Manufacturing process

Our manufacturing facilities operate according to a planned production schedule considering purchase orders received, forecast orders, and stock requirements.

(a) Procurement of input materials

Once the production schedule is finalised, we verify the availability of all necessary input materials. Our production team determines the required type and quantity of each input material based on the formulation of our specialty food ingredients and food products to be manufactured. If needed, we will order the required input materials from our suppliers, considering our current inventory of input materials at our operational facilities.

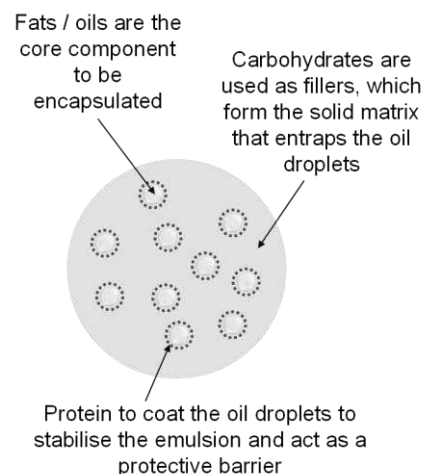
(b) Manufacturing

1. Microencapsulation manufacturing process for the production of non-dairy creamers and functional lipid powders

i. Wet mix preparation

The wet mix typically comprises three main ingredients, namely fats / oils, proteins, and carbohydrates:

- Fats / oils are the core component that need to be encapsulated before being converted into powder form. Examples of fats / oils that we use include palm oil, sunflower oil, fish oil, and algae oil.
- Proteins act as encapsulation agents. They stabilise the oil droplets by forming a cohesive film around them, which acts as a protective barrier against water, oxygen and light. This helps preserve the quality and stability of the encapsulated oil. Examples of proteins that we use include acid casein, whey protein concentrate, and skim milk powder. For the vegan range, acacia gum / specialty starch is used as the encapsulation agent.
- Carbohydrates are typically used as fillers in the formulation, contributing to the final powder's overall structure and physical properties. They form the solid matrix that entraps the oil droplets and provides structure to the microcapsules. Examples of carbohydrates that we use include glucose syrup, polydextrose, and lactose powder.



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ii. Emulsification process (feed preparation)

The emulsification process involves mixing oil with water in the presence of an emulsifier to form a stable oil-in-water or water-in-oil emulsion. There are three main ingredients, namely oils, proteins, and carbohydrates, which must be individually pre-dissolved before being combined to achieve a stable emulsion, as follows:

- **Oil phase preparation**

The oil ingredients are pre-melted in a designated oil-melting tank. Certain emulsifiers are also pre-melted together with the oil at controlled temperatures. It is critical to regulate both the temperature and duration of heating, especially for oils rich in unsaturated fatty acids. Overheating oils, beyond their slip melting point, can accelerate oxidation, leading to the formation of peroxides, aldehydes, and ketones, which are degradation by-products that cause off-flavours and rancid odours. This oxidative damage is irreversible and will compromise the final powder quality, regardless of how well the emulsion is prepared afterwards.

- **Protein phase preparation**

Protein ingredients are dissolved in water in a separate tank equipped with a specially engineered agitator to ensure the ingredients are spread out evenly while keeping air from getting into the mixture. This is crucial because proteins can trap air and create foam. If air is introduced and too much foam forms during this phase, the mixture would become unstable and would affect the ability to protect the oil during spray drying and reduce the overall effectiveness of microencapsulation, which may lead to faster spoilage and loss of nutrients.

- **Carbohydrate phase preparation**

Carbohydrates are typically added in substantial amounts as bulking agents or fillers. Proper dissolution requires a balanced amount of water. Insufficient water can lead to high viscosity and poor solubility of other water-phase ingredients such as stabilisers and flavours. Conversely, excessive water may ensure complete dissolution, but it increases energy loss during the spray drying process, thereby raising processing costs due to higher energy consumption.

Once all the respective components are properly dissolved, the oil phase is gradually added to the aqueous phase (the dissolved protein and carbohydrate). The mixture is then emulsified at a specific temperature, mixing time, and shear force to form a stable oil-in-water emulsion.

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iii. Spray drying process

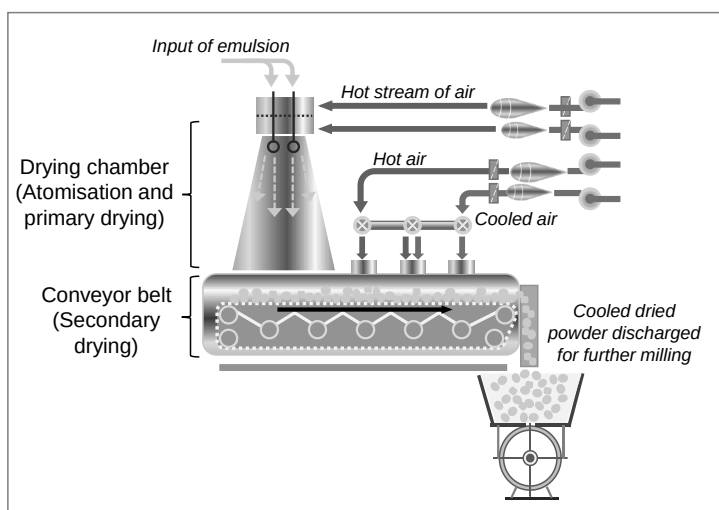
Spray drying is a process that transforms liquids or slurries into dry powders by atomising the liquid into small droplets and then drying them rapidly with hot air. For our lipid-based products, the spray drying process is essential to ensure stability, solubility, and the retention of desired properties like taste and texture.

Exterior view of our spray drying plant



As at the LPD, we operate three Filtermat spray drying systems, which are multi-stage spray dryers with an integrated conveyor belt, designed for drying high-fat-content or heat-sensitive formulations. Additionally, we will operate a fourth multi-stage tall-form spray drying system scheduled to commence operations in the fourth quarter of 2025. Our multi-stage tall-form spray drying system features a tall drying chamber and an external fluid bed, designed to produce free-flowing powders with controlled moisture content and improved stability.

Illustration of the Filtermat spray drying process



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The following are the key processes involved in the Filtermat spray drying process:

- **Atomisation and primary drying (top section)**

The emulsion is passed through homogenisers, which reduce the oil droplet size and ensure uniform dispersion throughout the mixture. During atomisation, the emulsion is discharged from a high-pressure nozzle into the drying chamber. The nozzle sprays the emulsion into a fine mist of uniform droplets, increasing the surface area available for drying.

In the primary drying stage, thermal energy from the hot air stream facilitates water evaporation, removing approximately 80% to 85% of the water from the emulsion. It is crucial to use the correct pressure and inlet temperature, tailored to the specific product characteristics, to ensure consistent powder quality. Excessive shear force or excessively high drying temperatures can damage the powder's matrix, resulting in products with high surface oil.

- **Deposition onto the conveyor belt (Filtermat)**

The semi-dried particles settle onto a moving perforated conveyor belt or mesh mat (the Filtermat) at the bottom of the drying chamber, which would move slowly through a controlled drying zone to further remove moisture from the particles.

- **Secondary drying (bottom section)**

Secondary drying occurs at the beginning of the conveyor belt, where an additional 5% to 15% of moisture is removed. A lower inlet temperature is used during this heating process, which prevents the powder from melting and clumping.

- **Cooling and discharge**

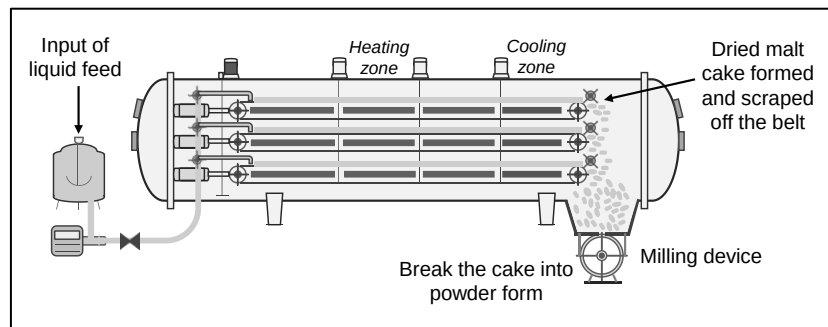
At the cooling stage, the powder is gradually cooled to ambient temperature, after which it undergoes milling to achieve the desired particle size before packaging. This step is critical because the powder needs sufficient time and the correct temperature to cool down. Packaging powder at high temperature can lead to product caking due to the condensation of water vapour on the powder surface.

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2. Vacuum belt drying for the production of malt products

Vacuum belt drying is a continuous, low-temperature drying method well-suited for heat-sensitive materials such as malt extracts. It operates under a high vacuum, which significantly lowers the boiling point of water, allowing for drying at much lower temperatures (25 to 30°C) compared to atmospheric drying methods (100°C). This process helps preserve the desirable characteristics of malt products, such as flavour, aroma, colour, nutritional components (i.e. antioxidants, amino acids, vitamins, and minerals), and solubility.

Illustration of the vacuum belt drying process



The following are the key processes involved in vacuum belt drying:

- **Feed mixing**

The liquid malt extract, a viscous syrup, is mixed with the chosen flavourings, glucose syrup, and other dry ingredients in a mixing tank equipped with an agitator. The feed mixture's viscosity is an essential parameter for vacuum belt drying. It must be within a range that allows easy pumping and uniform spreading onto the belt. The mixture also needs to be completely homogenous with no undissolved solids before being fed into the vacuum belt dryer.

- **Feeding system**

The prepared liquid feed is continuously fed into the vacuum chamber of the vacuum belt dryer using a metering pump to ensure a consistent and controlled flow rate. A distribution system then evenly spreads a thin layer of the liquid feed onto the multi-layered moving conveyor belt. The thickness of this layer is a critical parameter affecting the drying rate and final product quality.

- **Vacuum chamber and conveyor belt system**

The core of the vacuum belt dryer is a large, enclosed chamber maintained under a vacuum. Inside the chamber, multiple continuous conveyor belts move slowly through different heating and cooling zones.

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- **Heating and cooling zones**

Independently controlled heating plates are located beneath each conveyor belt. These plates, through which steam circulates, conductively transfer heat through the conveyor belt to the thin layer of malt extract.

Under high-pressure vacuum, the moisture in the malt extracts evaporates at a significantly lower temperature than it would at atmospheric pressure. A vacuum system, which typically includes vacuum pumps and condensers, continuously removes the evaporated water vapour from the vacuum chamber.

The vacuum belt dryer is divided into several heating zones with progressively lower temperatures to ensure a controlled drying process. This prevents overheating and preserves the product's quality attributes. Towards the end of the vacuum belt dryer, there is a cooling zone where the dried malt extract is cooled before discharge. This helps to stabilise the product and prevent sticking.

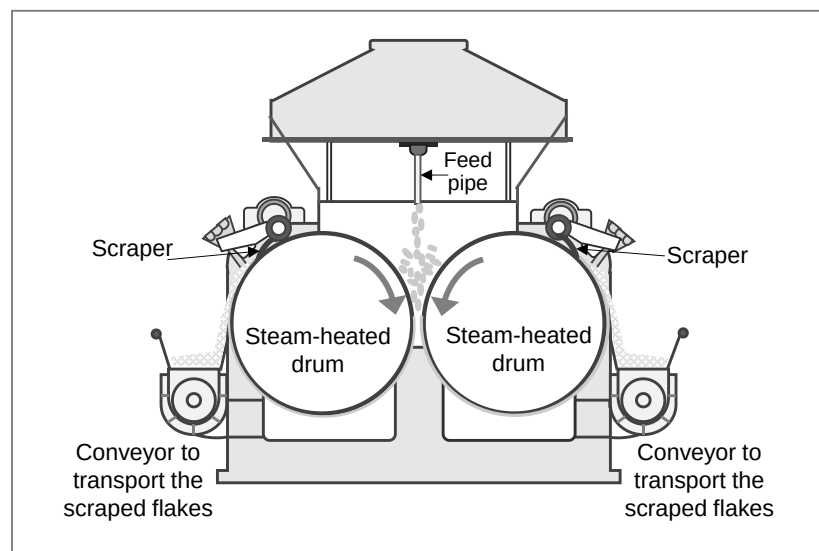
- **Product discharge and post-processing**

As the dried malt extract reaches the end of the conveyor belt, it forms a solid sheet or cake. The dried malt cake is then scraped off the belt. A milling device is integrated at the discharge end to break the cake into powder form, to achieve the desired final malt product.

3. Drum drying for the production of cereal products

Drum drying is a method for producing cereal products including instant malt extract cereal and baby cereal. The drum drying process involves applying a thin layer of cereal slurry onto the surface of one or more heated rotating drums, where the water evaporates quickly, leaving behind a thin, dried film that is then scraped off as flakes or powder.

Illustration of the drum drying process



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The following are the key processes involved in drum drying:

- **Feed preparation**

Cereal grains such as wheat and corn starch / flour / grits, and other ingredients, such as sugar, salt, and flavourings, are mixed with water to form a slurry. For baby cereal, a partial hydrolysis step precedes feeding the slurry to the drum dryer.

- **Cooking and drying**

The cereal slurry is fed onto the drum surface at 150 to 160°C to cook it. This process gelatinises the starches, allowing them to absorb water readily. The drums are hollow metal drums made of stainless steel that are heated internally by steam under pressure. The surface temperature of the drum is controlled depending on the product and desired drying rate.

The heat is rapidly transferred to the slurry as the thin layer of cereal slurry comes into contact with the hot drum surface. The high temperature causes the water in the slurry to evaporate quickly. The rapid drying and the gelatinised starch structure contribute to the porous texture of the dried film.

- **Scraping and product collection**

A scraper is used to continuously scrape off the thin, dried film of cereal product. The dried product comes off the drum as flakes or sheets. These flakes are then collected and undergo further processing, such as milling or flaking, to achieve the desired final cereal product.

(c) **Quality control and assurance**

We maintain QA laboratories at our Kulim Factory and SJ Factory to perform the necessary tests. We conduct multiple quality tests at various stages throughout our manufacturing process, as outlined below:

- **Incoming input materials and packaging materials**

Each batch of input materials and packaging materials is subject to visual inspection, quantity verification, and reconciliation with the delivery order before unloading at our warehouses. Subsequently, samples are taken from the delivered materials for QA testing. The incoming materials are placed in a holding area whilst waiting for approval from our QA department. The acceptance criteria for input materials is determined by the input material specification or the Certificate of Analysis provided by our suppliers. If the quality is deemed acceptable, the delivery order is signed and stamped to signify acceptance. Conversely, should the quality be unacceptable, we will reject the delivery.

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- **Wet-mix feed before the drying process**

Each batch of wet-mix feed undergoes testing for pH levels, total solids content, total soluble solids content, and colour. Upon confirmation of acceptable results, the tested batch is released for subsequent processing. Conversely, if any test result is unacceptable or falls outside the specified limits, our production team must initiate immediate corrective actions.

- **Packed finished goods**

Every batch of finished goods is evaluated for its physical, chemical, and microbiological properties to ensure it meets our product specification. The products are then placed in a designated holding area pending the result of our QA inspection. If the batch passes the quality assessment, it will be released to our warehouses for storage. However, if the quality is unacceptable, the batch will undergo further investigation, and a decision will be made whether to rework or dispose of the product through approved waste removal companies.

As at the LPD, we have 28 personnel in our QA department. The following is a list of tests and analyses, amongst others, that are carried out in our QA laboratory:

Tests	Parameters	Objectives
Physical properties		
Angle of repose / flow rate test	Flowability	Evaluate ease of handling and filling performance
Oven drying method / infrared moisture analyser	Moisture content	Ensure shelf stability and prevent microbial growth
Sieve analysis / laser diffraction	Particle size distribution	Assess consistency in texture and solubility
Solubility index / dispersibility test	Solubility / dispersibility	Ensure proper reconstitution in end-use applications
Visual inspection	Appearance	Verify that the product is free from lumps, discolouration, or foreign matter
Visual comparison / Colourimeter	Colour	Ensure consistent product appearance
Chemical properties		
Enzymatic assay	Sugar / carbohydrate content	Monitor the sweetness level and nutritional values
Kjeldahl method / Dumas method	Protein content	Validate nutritional profile
Muffle furnace ashing	Ash content	Estimate total mineral content
pH meter	pH levels	Assess acidity / alkalinity
Refractometer / oven drying	Total solids / Brix	Verify concentration in extracts or liquid feeds

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Tests	Parameters	Objectives
Soxhlet extraction	Fat content	Confirm formulation compliance and energy value
Titration / AOAC method	Acid value	Assess fat or oil breakdown during storage
	Free fatty acid	Measure fat degradation and quality
	Peroxide value	Detect oxidative rancidity in lipid-based powders

AOAC = Association of Official Analytical Collaboration

In addition to the procedures above, we also implement microbiological testing as a critical component of our food quality and safety assurance programme. This encompasses detecting and quantifying microorganisms that may compromise the safety, shelf life, and regulatory compliance of our manufactured specialty food ingredients and food products. Our suite of microbiological analyses includes total microorganism plate counts to assess the overall microbial burden, as well as specific analysis for yeast, moulds, coliforms, *Escherichia coli*, *Bacillus cereus*, and *Salmonella*. The majority of these tests are performed using agar plate methods, involving the cultivation of samples on selective media to facilitate colony growth and enumeration. These relevant tests ensure that our finished goods meet the microbiological specifications, mitigate the risk of foodborne illness, and uphold consistent product quality.

We also maintain a dedicated sensory panel composed of in-house employees to perform the following sensory evaluations:

- **Colour:** To verify visual conformity with established product standards;
- **Mouthfeel / texture:** To ensure consistent attributes such as creaminess or smoothness;
- **Odour:** To identify any undesirable olfactory characteristics, including rancidity, sourness, or staleness;
- **Taste:** To assess the product's flavour profile against the defined standard; and
- **Aftertaste:** To detect any persistent off-flavours or bitterness.

7.10.2 Supply of other food ingredients and food products

The diagram below illustrates the general process flow of our supply segment:



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Secure purchase order

The process typically begins with an enquiry or request for quotation from existing or potential customers, where they will specify the type and quantity of products they intend to purchase. Once their selection is finalised, they issue a purchase order for us to fulfil. The purchase order outlines the product type, brand (if relevant), quantity, and agreed price, along with additional terms such as the delivery location, schedule, and payment conditions.

Order processing and procurement

Once we have received the purchase order, we first check our inventory for stock availability, as we maintain supplies of commonly purchased products. We promptly place orders with our suppliers if the requested items are not in stock.

We source these food ingredients and food products from domestic and foreign 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, with any required import duties and tariffs settled. These items are transported to our warehouses. Products originating in Malaysia are transported directly from our suppliers' premises to our warehouses.

Receipt of products

Once we have received the products at our warehouses, we will 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. Additionally, a visual inspection ensures the products are free from any physical defects.

Repackaging and dry blending

For products that require repackaging, bulk quantities will be repacked into smaller pouches. For products that require dry blending, relevant food ingredients will be mixed and dry-blended before being packed into smaller pouches. These packages are then labelled with relevant product information.

Storage of products

Products that pass inspection are then stored at our warehouses until the scheduled delivery date.

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.

7.11 RESEARCH AND DEVELOPMENT

7.11.1 R&D activities

Our Group does not have a R&D policy as at the LPD. However, we carry out R&D activities which focuses on product innovation, enhancing nutritional profiles, developing novel flavours and textures, optimising processing and formulations, and ensuring the quality standard of our manufactured specialty food ingredients and food products. Our R&D is an ongoing process where we aim to improve product performance and provide customised solutions to a variety of applications such as baking, beverage, confectionery, savoury, dairy blends, and nutritional products.

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Our R&D activities include the following:

- **Exploring and evaluating new and diverse input materials:** This includes plant-based sources for creamers, lipids, grains, and alternative sweeteners and flavourings;
- **Improving the nutritional value of our products:** This encompasses fortification with vitamins and minerals, increasing fibre and protein content, reducing sugar, salt and fat, and developing allergen-free and clean label options;
- **Creating appealing sensory experiences:** This involves developing new flavour profiles, optimising textures (e.g. creaminess, crispiness, and solubility), and ensuring desirable appearance across all product categories;
- **Advancing processing and formulation techniques:** This includes optimising extraction, encapsulation, drying, and other manufacturing processes to improve efficiency, stability, and functionality. It also involves developing innovative formulations for various applications;
- **Conducting analytical testing:** This involves utilising laboratory techniques to analyse the chemical composition, nutritional content, and physical properties of our manufactured specialty food ingredients and food products;
- **Performing shelf-life studies:** This includes determining the stability and quality of our manufactured specialty food ingredients and food products over time under various storage conditions;
- **Ensuring product safety and compliance:** This involves adherence to all relevant food safety and labelling regulations for various and different exporting countries; and
- **Understanding and meeting consumer and market needs:** This includes conducting consumer research and feasibility studies to identify market and cultural trends and preferences.

7.11.2 Achievements in R&D

Our achievements in R&D are supported by the commercialisation of the following specialty food ingredients:

Year*	Products / Brand	Key advantages
2021	Nutritional lipid powder using canola oil / Custom – NutriHIFAT	- Encapsulation of nutritional oil containing a variety of healthy fatty acids such as Omega-3, Omega-6 and Omega-9 - Able to target customers and markets that are focused on health, wellness and dietary supplements
2023	Clean label and vegan-friendly high-fat powder / CUSTOM Vegan – NutriHIFAT	- Encapsulation of various sources of oil with plant-based acacia gum, an emulsifier that allows for a high oil load - Able to target customers and markets with specific dietary needs, as well as the broader market that are seeking vegan-friendly and plant-based options

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Year*	Products / Brand	Key advantages
2024	Fish oil powder / O'Life DHA	- Encapsulation of DHA powders with low fish oil odour containing Omega-3 fatty acids with various DHA and EPA content - Able to target customers and markets that are focused on general health and wellness, and infant and child nutrition
	Clouding agent powder / CUSTOM – Cloud	- Replace titanium dioxide which has been banned as a food additive in certain jurisdictions, such as the European Union in 2022 and the Gulf Cooperation Council in 2023, due to potential health concerns - Able to target customers seeking to replace titanium dioxide
	Lecithin powder / CUSTOM – Lec	- Encapsulation of lecithin powder, which is naturally difficult to dissolve in water, and provides instantised lecithin powder as a nutritious ingredient - Able to target customers and markets that require functional food and beverage ingredients, particularly for protein powders, meal replacement, as well as for bakery and confectionery applications where anti-sticking and pan-release properties are valued
	Enzyme-modified flavoured powder, Butter-flavoured fat powder / CUSTOM - HIFAT	- Ability to produce a highly concentrated, authentic, and stable flavour profile with an enhanced mouthfeel as enzyme-modified powders mimic and accelerate natural flavour development - Due to its concentrated flavour profile, the powder is cost-effective for manufacturers, as a much smaller amount is needed to achieve the desired effect

* Year of commercialisation

7.11.3 R&D facilities and personnel

Our R&D activities are carried out at our innovation centre in SJ Factory which comprises application labs, sensory booth, and pilot-scale plants, as follows:

(i) Application labs

Our innovation centre has four application labs, as follows:

Bakery lab: To support small-scale testing and development of baked goods, allowing formulation adjustments and quality evaluation. The bakery lab is equipped with ovens, microwave ovens, benchtop mixers, and bread makers.

Our innovation centre



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Flavouring lab: To design the processed flavours recipe and conduct testing in snack application. The lab is equipped with snack coating tumblers, an overhead stirrer, a viscometer, and a hot plate.

Food service lab: To create, test, and improve food and drink products. The lab is equipped with tea brewer, soft serve machine, and bar counter for sensory evaluation.

Savoury lab: To formulate, test, and conduct quality assessment of our savoury food products such as soup, sauces, ready meals, and meat applications. The savoury lab is equipped with hood and stove, moisture analyser, incubator, and heating plate.

Our application labs, shown clockwise from the top-left, include our bakery, flavouring, food service and savoury labs



(ii) Sensory booth

We provide a controlled environment for the sensory evaluation of food and beverage products. Each sensory booth is individually designed to minimise distractions and bias, offering a neutral and consistent setting for panelists to assess flavour, aroma, texture, appearance, and overall acceptability.

Sensory booth



(iii) Pilot-scale plants

We have the following two types of pilot-scale plants, namely pilot spray dryer and pilot vacuum belt dryer:

Pilot spray dryer: It converts liquid formulations into dry powder by atomising and rapidly drying them with hot air. It is used for developing lipid-based powdered food ingredients. It is equipped with a mixing tank, oil melting tank, homogeniser, high-pressure pump, and drying chamber.

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Pilot vacuum belt dryer: It removes moisture from heat-sensitive materials under reduced pressure, allowing drying at a lower temperature. The pilot vacuum belt dryer is used for drying heat-sensitive food ingredients while retaining nutrients and flavours. It is equipped with a ribbon blender tank, high-temperature cooker, cooling system, and vacuum chamber.

(L-R) a pilot spray dryer, and a pilot vacuum belt dryer



As at the LPD, we have a team of 13 personnel who are directly involved in R&D activities at our innovation centre, which is led by our Deputy General Manager, Chang Shey Ling.

7.11.4 R&D expenditure

Our R&D expenditure accounted for 0.28%, 0.35%, and 1.03% of our total revenue for the FYE 2022, FYE 2023 and FYE 2024 respectively. The details of our R&D expenditure are set out below:

	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000
Operational expenditure			
- R&D-related staff cost	525	681	844
- Material cost	125	305	236
- Utilities and miscellaneous costs	173	185	125
Capital expenditure			
- Purchase and upgrade of laboratory and R&D equipment	322	129	2,844
Total R&D expenditure	1,145	1,300	4,049

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7.12 TECHNOLOGIES USED

The technologies used in the manufacturing of our specialty food ingredients and food products include the following:

(i) Formulation

Formulation is the key technology in manufacturing our non-dairy creamers, functional lipid powders, as well as malt and cereal products. It is the science of designing ingredient blends to create functional, stable, nutritious, and appealing food products. Our formulations leverage the following principles:

- **Rheology and colloid science:** Controlling viscosity, stabilising emulsions, preventing separation of oil and water, and optimising solubility. These principles ensure desired flow properties, stability, and consumer-perceived quality.
- **Thermodynamics:** Understanding fats' melting and crystallisation behaviour, which governs product texture, mouthfeel, and stability. This knowledge is critical for optimising processes such as spray drying (preventing nozzle clogging) and ensuring shelf-life stability (avoiding fat bloom or graininess in stored products).
- **Sensory science:** Enhancing product palatability by strategically using flavour masking agents (such as sweeteners and modifiers), and encapsulation techniques to neutralise unpleasant flavours from functional ingredients like Omega-3 or plant proteins, ensuring consumer appeal while maintaining nutritional integrity.
- **Nutritional science:** Fortifying products with vitamins, minerals, and bioactive compounds while maintaining bioavailability and regulatory compliance.

(ii) Microencapsulation

Microencapsulation is a key technology that protects sensitive ingredients (such as lipids, flavours, or vitamins) by coating them with a protective matrix (such as acid casein or acacia gum). For our non-dairy creamers, microencapsulation prevents fat oxidation and improves shelf life. For our functional lipid powders, microencapsulation stabilises Omega-3, MCT and other nutritional oils against degradation. No microencapsulation technology has been used in the production of our other products. Please refer to Section 7.10.1 of this Prospectus for further details on the microencapsulation manufacturing process.

(iii) Emulsification

Emulsification is crucial for creating stable oil-in-water or water-in-oil mixtures, particularly in our non-dairy creamers, where it ensures uniform fat dispersion for smooth texture and solubility. For our functional lipid powders, emulsifiers (such as lecithin, monoglycerides, or diglycerides) help encapsulate hydrophobic bioactive compounds. We utilise high-pressure homogenisation mixers to achieve these stable emulsions.

(iv) Spray drying

Spray drying converts liquid mixtures into free-flowing powders by atomising them with hot air, making it essential for our non-dairy creamers and functional lipid powders to achieve instant solubility. Key parameters such as inlet / outlet temperatures, feed viscosity, and atomisation must be optimised to prevent thermal degradation while ensuring the desired quality of our non-dairy creamers and functional lipid powders. Please refer to Section 7.10.1 of this Prospectus for further details on the spray drying process.

7. BUSINESS OVERVIEW

7.13 SEASONALITY

During the FYE Under Review and from 1 January 2025 up to the LPD, we did not experience any material seasonality in our business.

7.14 INTERRUPTIONS TO OUR BUSINESS AND OPERATIONS

We did not experience any material interruption to our business operations during the 12 months preceding the LPD.

7.15 SALES AND MARKETING ACTIVITIES

Our marketing positioning and activities to address business opportunities, retain existing customers and secure new customers are focused on the following:

- (i) **Customer retention:** We cultivate customer loyalty through active engagement with our existing customers, including resellers, food manufacturers, and foodservice operators. For the FYE 2024, three out of our top five customers have been dealing with our Group for at least seven years. Our long-established relationships with our customers are based on mutual trust and respect, while keeping our communications constant to obtain feedback on improvement areas.
- (ii) **Market expansion:** We continue to expand our export market coverage to other countries in Asia, the Americas, Europe, the Middle East, Oceania, and Africa. For FYE 2024, we export our products to 42 foreign countries.
- (iii) **Branding:** We participate in international trade exhibitions and industry events to promote our products, gather market intelligence, stay up-to-date on industry trends, and explore new business opportunities. We also act on referrals from existing customers and business associates as part of our outreach efforts.

For the FYE Under Review and from 1 January 2025 up to the LPD, we have participated as well as intend to participate in, amongst others, the following trade exhibitions:

No.	Events	Dates	Location
1.	Institute of Food Technologists (IFT) FIRST 2022	July 2022	Chicago, the United States of America
2.	Food Ingredient (Fi) Asia Indonesia 2022	September 2022	Jakarta, Indonesia
3.	Gulfood Manufacturing 2022	November 2022	Dubai, the United Arab Emirates
4.	Natural Products Expo West 2023	March 2023	California, the United States of America
5.	IFT FIRST 2023	July 2023	Chicago, the United States of America
6.	Fi Asia 2023	September 2023	Bangkok, Thailand
7.	SupplySide West 2023	October 2023	Las Vegas, the United States of America
8.	Fi Europe 2023	October 2023	Frankfurt, Germany

7. BUSINESS OVERVIEW

No.	Events	Dates	Location
9.	VITAFOOD Europe 2024	May 2024	Geneva, Switzerland
10.	IFT FIRST 2024	July 2024	Chicago, the United States of America
11.	Fi Asia 2024	September 2024	Jakarta, Indonesia
12.	VITAFOOD ASIA 2024	September 2024	Bangkok, Thailand
13.	SupplySide West 2024	October 2024	Las Vegas, the United States of America
14.	Gulfood Manufacturing 2024	November 2024	Dubai, the United Arab Emirates
15.	Fi Europe 2024	November 2024	Frankfurt, Germany
16.	Fi China 2025	March 2025	Shanghai, China
17.	Vitafoods Europe 2025	May 2025	Barcelona, Spain
18.	Bio Asia-Taiwan 2025	July 2025	Taiwan
19.	IFT Chicago	July 2025	Chicago, the United States of America
20.	Vitafoods Asia 2025	September 2025	Bangkok, Thailand
21.	FI Asia Thailand 2025	September 2025	Bangkok, Thailand
22.	The Food Tech-Summit & Expo	October 2025 ⁽¹⁾	Mexico
23.	Gulfood Manufacturing 2025	November 2025 ⁽¹⁾	Dubai, the United Arab Emirates

Note:

(1) Impending exhibitions.

- (iv) **Distribution channels:** We adopt both direct and indirect distribution channels to maximise our market coverage and to reach out to as many customers and end-users as possible. Through our direct distribution channel strategy, we can obtain feedback on our products from our customers and demonstrate a commitment to customer satisfactions. Our indirect distribution strategy enables us to use the existing networks and infrastructures of our customers to extend our market coverage without the need for significant investments in human and infrastructure resources.
- (v) **Overseas representation:** We use agents, distributors, and marketing consultant to support our sales efforts and strengthen our market penetration in foreign markets.

As at the LPD, we have a total of 14 personnel in our sales and marketing team, which is led by our Senior General Manager, Tan Eng Kiau.

7. BUSINESS OVERVIEW

7.16 TYPES, SOURCES AND AVAILABILITY OF MATERIALS

The following are the types of materials that we purchased for our business operations for the FYE Under Review:

Purchases of materials by types

Materials	FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%
Oils and fats	118,983	38.91	74,706	32.61	92,211	35.63
- Palm-based oils and fats	85,610	28.00	56,834	24.81	66,996	25.88
- Coconut-based oils and fats	32,364	10.58	16,197	7.07	22,688	8.77
- Others ⁽¹⁾	1,009	0.33	1,675	0.73	2,527	0.98
Sugar and sweeteners	82,578	27.01	74,797	32.65	78,901	30.48
- Glucose syrup	77,131	25.23	67,668	29.54	71,577	27.65
- Others ⁽²⁾	5,447	1.78	7,129	3.11	7,324	2.83
Dairy and dairy alternatives	57,470	18.79	40,921	17.87	36,747	14.20
- Acid casein	47,459	15.52	32,382	14.14	26,654	10.30
- Others ⁽³⁾	10,011	3.27	8,539	3.73	10,093	3.90
Grain-based ingredients and derivatives ⁽⁴⁾	23,879	7.81	20,379	8.90	28,529	11.02
Functional additives ⁽⁵⁾	16,147	5.28	11,195	4.89	13,275	5.13
Others ⁽⁶⁾	6,728	2.20	7,062	3.08	9,165	3.54
Total purchases	305,785	100.00	229,060	100.00	258,828	100.00

Notes:

- (1) Mainly include high oleic sunflower oil, canola oil, soybean oil, fish oil, avocado oil, algae oil, and Sacha Inchi oil.
- (2) Mainly include fine granulated sugar, maltose, maltodextrin, icing sugar, caster sugar, caramelised sugar, liquid honey, fructose powder, caramel, sucralose, and brown sugar.
- (3) Mainly include skim milk powder, whey powder, sodium caseinate, coconut milk powder, goat milk powder, milk fat, salted butter, lactose powder, and buttermilk powder.
- (4) Mainly include liquid and powder malt extract, modified starch, instant oats, wheat flour, malt extract cereal, corn starch, quick cooking oats, rolled oats, toasted soybean meal, semolina, malted toasted wheat flakes, brown rice powder, and liquid hydrolysed oat.
- (5) Mainly include acidity regulators, emulsifiers, preservatives, acacia gum, enzymes, and antifoaming agents.
- (6) Mainly include flavouring, colouring agents, nutritional ingredients, and finished goods for our supply segment, such as instant coffee powder and instant tea powder.

7. BUSINESS OVERVIEW

Purchases of materials by sources of supply

Materials	FYE 2022			FYE 2023			FYE 2024		
	RM'000	Domestically sourced (%)	Imported (%)	RM'000	Domestically sourced (%)	Imported (%)	RM'000	Domestically sourced (%)	Imported (%)
Oils and fats	118,983	100.00	-	74,706	99.66	0.34	92,211	96.92	3.08
Sugar and sweeteners	82,578	98.37	1.63	74,797	90.23	9.77	78,901	84.59	15.41
Dairy and dairy alternatives	57,470	22.21	77.79	40,921	7.53	92.47	36,747	31.93	68.07
Grain-based ingredients and derivatives ⁽¹⁾	23,879	56.79	43.21	20,379	35.90	64.10	28,529	31.78	68.22
Functional additives ⁽²⁾	16,147	61.81	38.19	11,195	50.88	49.12	13,275	59.20	40.80
Others ⁽³⁾	6,728	75.68	24.32	7,062	74.40	25.60	9,165	82.44	17.56
Total purchases	305,785	79.01	20.99	229,060	71.29	28.71	258,828	74.31	25.69

Notes:

- (1) Mainly include liquid and powder malt extract, modified starch, instant oats, wheat flour, malt extract cereal, corn starch, quick cooking oats, rolled oats, toasted soybean meal, semolina, malted toasted wheat flakes, brown rice powder, and liquid hydrolysed oat.
- (2) Mainly include acidity regulators, emulsifiers, preservatives, acacia gum, enzymes, and antifoaming agents.
- (3) Include flavouring, colouring agents, nutritional ingredients, and finished goods for our supply segment, such as instant coffee powder and instant tea powder.

7. BUSINESS OVERVIEW

7.16.1 Sources of our materials

For FYE 2022, FYE 2023, and FYE 2024, we mainly sourced materials for our manufacturing and supply segments locally, which collectively accounted for 79.01% (RM241.61 million), 71.29% (RM163.29 million), and 74.31% (RM192.33 million) of our total purchases of materials, respectively. Meanwhile, our imported materials represented 20.99% (RM64.17 million), 28.71% (RM65.77 million), and 25.69% (RM66.50 million) of our total purchases of materials for the FYE 2022, FYE 2023, and FYE 2024 respectively. We mainly import acid casein, malt extracts, oats, acacia gum, and lecithin.

For the FYE Under Review, we have not experienced any shortages in the supply of materials from our suppliers. As some of the input materials for our manufacturing segment, such as palm-based and coconut-based oils and fats, glucose syrup (mainly made from corn), and acid casein are regarded as commodities, we are subject to the risk of fluctuations in the prices of such materials in the global market. Please refer to Section 9.1.1 of this Prospectus for further details.

7. BUSINESS OVERVIEW

7.17 MAJOR CUSTOMERS

Our Group's top five major customers and their contributions to our revenue for the FYE Under Review are as follows:

FYE 2022

No.	Customers	Geographical markets	Main products	Amount (RM'000)	Proportion of total revenue (%)	Length of business relationship ⁽¹⁾ (years)
1	Outspan Malaysia Sdn Bhd	Malaysia	Non-dairy creamers	30,664	7.46	3
2	Customer A ⁽²⁾	Indonesia	Non-dairy creamers	27,599	6.72	<1
3	Customer B ⁽³⁾	The Philippines	Non-dairy creamers and functional lipid powders	24,703	6.01	5
4	Customer C ⁽⁴⁾	Malaysia	Non-dairy creamers	16,465	4.01	5
5	Customer D group ⁽⁵⁾	The Netherlands	Non-dairy creamers, and malt and cereal products	16,458	4.01	3
Subtotal of top five customers				115,889	28.21	
Total revenue				410,881	100.00	

7. BUSINESS OVERVIEW**FYE 2023**

No.	Customers	Geographical markets	Main products	Amount (RM'000)	Proportion of total revenue (%)	Length of business relationship ⁽¹⁾ (years)
1	Customer B ⁽³⁾	The Philippines	Non-dairy creamers	28,623	7.80	6
2	Customer E ⁽⁶⁾	Türkiye	Non-dairy creamers and functional lipid powders	20,773	5.66	1
3	Customer F ⁽⁷⁾	Vietnam	Non-dairy creamers and functional lipid powders	20,520	5.59	8
4	Customer G ⁽⁸⁾	Taiwan	Non-dairy creamers and functional lipid powders	20,259	5.52	8
5	Customer C ⁽⁴⁾	Malaysia	Non-dairy creamers	16,031	4.37	6
Subtotal of top five customers				106,206	28.94	
Total revenue				367,078	100.00	

FYE 2024

No.	Customers	Geographical markets	Main products	Amount (RM'000)	Proportion of total revenue (%)	Length of business relationship ⁽¹⁾ (years)
1	Customer E ⁽⁶⁾	Türkiye	Non-dairy creamers and functional lipid powders	22,955	5.81	2
2	Customer B ⁽³⁾	The Philippines	Non-dairy creamers and functional lipid powders	20,975	5.31	7
3	Customer F ⁽⁷⁾	Vietnam	Non-dairy creamers and functional lipid powders	19,393	4.91	9
4	Customer G ⁽⁸⁾	Taiwan	Non-dairy creamers, functional lipid powders, and malt and cereal products	18,484	4.68	9
5	Customer H ⁽⁹⁾	Malaysia	Malt and cereal products, oat-related products, and non-dairy creamers	16,435	4.16	2
Subtotal of top five customers				98,242	24.87	
Total revenue				394,864	100.00	

7. BUSINESS OVERVIEW

Notes:

- (1) Length of business relationship as at the respective financial years.
- (2) Customer A is a company incorporated in Indonesia that is involved in the manufacturing of powdered coffee beverages. The principal market in which Customer A operates is Indonesia. Customer A is not listed on any stock exchange.
- (3) Customer B is a company incorporated in the Philippines that is involved in the trading, marketing and distribution of food ingredients. The principal market in which Customer B operates is the Philippines. Customer B is not listed on any stock exchange.
- (4) Customer C is a company incorporated in Malaysia that is involved in the wholesale of food and beverages. The principal market in which Customer C operates is Malaysia. Customer C is a subsidiary of a company that is seeking for listing on the Main Market of Bursa Securities.
- (5) Customer D group comprises two companies incorporated in the Netherlands. Prior to a merger, these two companies were involved in the sourcing, supply, and branding of food products. As at the LPD, Customer D is still carrying similar activities under one single entity and the principal markets in which Customer D operates is the Netherlands and Africa. Customer D is not listed on any stock exchange.
- (6) Customer E is a company incorporated in Türkiye that is involved in the wholesale of food ingredients. The principal market in which Customer E operates is Türkiye. Customer E is not listed on any stock exchange.
- (7) Customer F is a company incorporated in Vietnam that is involved in the trading of food ingredients, flavourings, and food additives. The principal market in which Customer F operates is Vietnam. Customer F is not listed on any stock exchange.
- (8) Customer G is a company incorporated in Taiwan that is involved in the trading and distribution of food ingredients and products. The principal markets in which Customer G operates is Taiwan, China and the United States of America. Customer G is not listed on any stock exchange.
- (9) Customer H is a company incorporated in Malaysia that is involved in the operation of retail outlets. The principal market in which Customer H operates is Malaysia. Customer H is a subsidiary of a public listed company on the Stock Exchange of Thailand.

The names of Customers A, B, C, D, E, F, G and H have not been disclosed due to the following reasons:

(i) Confidentiality and internal policies

Certain customers consider the disclosure of their names to be confidential and inconsistent with their internal policies that emphasise discretion in partnerships and operational dealings.

7. BUSINESS OVERVIEW

(ii) Competitive sensitivity

Some customers have expressed concern that disclosure of their identities may compromise their competitive position by:

- (a) revealing insights into their sourcing arrangements;
- (b) enabling third parties to bypass them by approaching our Group directly; and/or
- (c) weaken their bargaining position in negotiations with their other suppliers.

(iii) Disruption to distribution structures

Certain customers consider the disclosure of their names to be disruptive to their existing distribution structures, particularly where they act as intermediaries to distributors. Public identification could prompt end-customers to bypass the distributors, thereby undermining the role of the distributors.

For the FYE Under Review, we were not dependent on any individual major customer, as there were no customers that contributed more than 10.00% of our total revenue for any one of the FYE Under Review. In FYE 2024, we had approximately 450 customers, comprising food manufacturers, foodservice operators, and resellers (distribution and trading companies).

7. BUSINESS OVERVIEW

7.18 MAJOR SUPPLIERS

Our Group's top five major suppliers and their contributions to our purchases for the FYE Under Review are as follows:

FYE 2022

No.	Suppliers	Country of source	Main products	Amount (RM'000)	Proportion of total purchases (%)	Length of business relationship ⁽¹⁾ (years)
1	Supplier A ⁽²⁾	Malaysia	Glucose syrup	54,866	17.94	20
2	Supplier B ⁽³⁾	Malaysia	Palm-based oils and fats	44,213	14.46	9
3	Supplier C1 ⁽⁴⁾	Malaysia	Palm and coconut-based oils and fats	38,550	12.61	19
4	Lakeland Dairies	Ireland	Acid casein	25,952	8.49	1
5	Taiwan Fructose (M) Sdn Bhd	Malaysia	Glucose syrup	21,779	7.12	10
Subtotal for top five suppliers				185,360	60.62	
Total purchases of materials				305,785	100.00	

FYE 2023

No.	Suppliers	Country of source	Main products	Amount (RM'000)	Proportion of total purchases (%)	Length of business relationship ⁽¹⁾ (years)
1	Supplier A ⁽²⁾	Malaysia	Glucose syrup	34,546	15.08	21
2	Taiwan Fructose (M) Sdn Bhd	Malaysia	Glucose syrup	26,775	11.69	11
3	Supplier B ⁽³⁾	Malaysia	Palm-based oils and fats	23,328	10.18	10
4	Mewah group of companies ⁽⁵⁾	Malaysia	Palm and coconut-based oils and fats	20,006	8.73	8
5	Arrabawn Co-operative Society Ltd	Ireland	Acid casein	18,003	7.86	<1
Subtotal for top five suppliers				122,658	53.54	
Total purchases of materials				229,060	100.00	

7. BUSINESS OVERVIEW**FYE 2024**

No.	Suppliers	Country of source	Main products	Amount (RM'000)	Proportion of total purchases (%)	Length of business relationship ⁽¹⁾ (years)
1	Supplier C group ⁽⁴⁾	Malaysia	Glucose syrup, coconut oil, and sunflower oil	32,880	12.70	21
2	Mewah group of companies ⁽⁵⁾	Malaysia	Palm and coconut-based oils and fats	31,022	11.99	9
3	Bunge Lodgers group of companies ⁽⁶⁾	Malaysia and the Netherlands	Palm kernel oil	30,355	11.73	5
4	Taiwan Fructose (M) Sdn Bhd	Malaysia	Glucose syrup	21,447	8.29	12
5	Lakeland Dairies	Ireland	Acid casein	14,788	5.71	3
Subtotal for top five suppliers				130,492	50.42	
Total purchases of materials				258,828	100.00	

Notes:

- (1) Length of business relationship as at the respective financial years.
- (2) Supplier A is a company incorporated in Malaysia that is involved in the manufacturing and sale of food and beverage ingredients. The principal market in which Supplier A operates is Malaysia. Supplier A is a subsidiary of a public listed company on the Main Market of Bursa Securities.
- (3) Supplier B is a company incorporated in Malaysia that is involved in the manufacturing, packing, and selling of vegetable oil-based products, its by-products, and derivatives. The principal markets in which Supplier B operates are Asia Pacific, Central Asia, the Middle East and North Africa, Europe, Sub-Saharan Africa and South America. Supplier B is not listed on any stock exchange.
- (4) Supplier C group comprises Supplier C1 and Supplier C2, which both are companies incorporated in Malaysia. Supplier C1 is involved in the processing, trading and marketing of vegetable oils, while Supplier C2 is involved in the trading and distribution of grains, providing warehousing services, and trading of food ingredients. The principal market in which Supplier C group operates is Southeast Asia. Supplier C group is not listed on any stock exchange.

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- (5) Mewah group of companies includes Mewah-Oils Sdn Bhd and Mewaholeo Industries Sdn Bhd, which are subsidiaries of Mewah International Inc., a public listed company on the Singapore Stock Exchange.
- (6) Bunge Loders group of companies includes Bunge Loders Croklaan Oils Sdn Bhd and Bunge Loders Croklaan B.V., which are subsidiaries of Bunge Limited, a public listed company on the New York Stock Exchange.

The names of Suppliers A, B, C1 and C2 have not been disclosed due to the following reasons:

(i) Confidentiality and internal policies

Certain suppliers consider the disclosure of their names to be confidential and inconsistent with their internal policies that emphasise discretion in partnerships and operational dealings.

(ii) Competitive sensitivity

Some suppliers have expressed concern that disclosure of their identities may indirectly expose the identity of their key customer (i.e. our Group) and, in turn:

- (a) expose their customer base and target markets;
- (b) enable their competitors to target our Group and divert business away from them; and/or
- (c) undermine their competitive advantage by weakening their ability to protect key accounts and preserve market share.

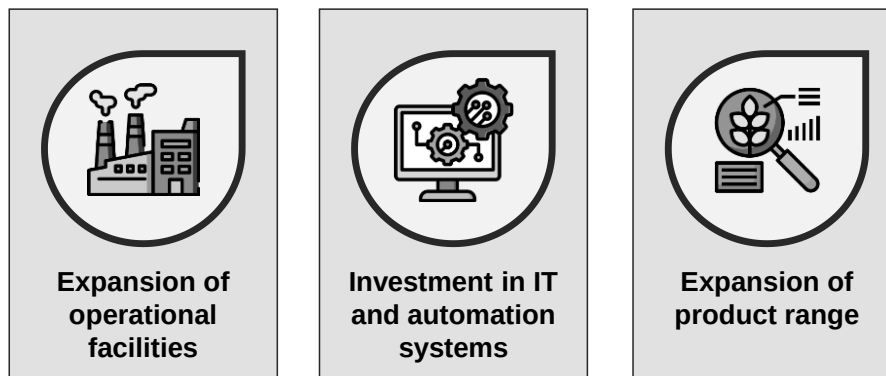
The purchases of glucose syrup from Supplier A, Taiwan Fructose (M) Sdn Bhd and Supplier C1 have contributed more than 10.00% of our total purchases in one or more of the FYE Under Review. However, we are not dependent on any individual major supplier as we are able to source similar products from other suppliers. For the FYE Under Review, we sourced glucose syrup from five suppliers.

The purchases of palm and coconut-based oils and fats from Supplier B, Supplier C2, Mewah group of companies, and Bunge Loders group of companies have contributed more than 10.00% of our total purchases in one or more of the FYE Under Review. However, we are not dependent on any individual major supplier as we are able to source similar products from other suppliers. For the FYE Under Review, we sourced palm-based oils and fats from 12 suppliers and coconut-based oils and fats from five suppliers.

7. BUSINESS OVERVIEW

7.19 OUR BUSINESS STRATEGIES AND PLANS

Our business strategies and plans include the expansion of our operational facilities, investment in IT and automation systems, as well as expansion of our production range, as shown below:



Save for the land / property to be acquired for the New Factory as set out in Section 7.19.1 below, our Group does not have any targeted acquisition as at the LPD.

7.19.1 Expansion of operational facilities

We intend to establish a new manufacturing plant and warehouse, as well as purchase new machinery and equipment.

(i) Establishment of a New Factory

We intend to establish a New Factory, and the development of the New Factory is expected to be undertaken in two phases as set out below:

- **Phase 1:** Acquisition of a suitable piece of land with a land area of approximately four acres in the fourth quarter of 2026. Depending on the suitability of the location, we may purchase a vacant piece of land and engage a construction company to build according to our specifications, or we may purchase an existing factory / warehouse with the intended land size, which will then require renovation works; and
- **Phase 2:** Construction of a factory with an estimated built-up area of 40,000 sq. ft. and a warehouse with an estimated built-up area of 100,000 sq. ft., scheduled for completion in the fourth quarter of 2028. The factory is intended to house new machinery and equipment for the manufacturing of flavour and bakery enhancement products, while the warehouse is intended to store our inventories arising from the expansion of our manufacturing facilities.

As at the LPD, we have yet to identify a suitable piece of land to be acquired for the establishment of the New Factory. In identifying a suitable piece of land, we will assess the potential land based on the following criteria:

- minimal disruptions to our Group's existing operations, particularly those at our current manufacturing and warehouse sites;
- proximity to our existing manufacturing facilities to enable operational synergies and cost efficiency; and

7. BUSINESS OVERVIEW

- (iii) overall cost considerations, including land acquisition, development, and ongoing operational expenses.

The land owned by our Promoters (such as the land where our SJ Warehouse is currently situated on (“**SJ Warehouse Land**”)) may be aligned with our criteria. Hence, our expansion plan may involve acquiring the SJ Warehouse Land. The acquisition of any identified land for the development will only take place after the receipt of proceeds from our IPO. The following table depicts the estimated timeline for the establishment of the New Factory:

Estimated timing	Details
2Q 2026	- Identify a land / property to purchase - Enter into a sale and purchase agreement to acquire the land / property
4Q 2026	- Complete the acquisition of the land / property - Submit building plan and other plan approvals for the construction / renovation of the New Factory - Obtain relevant approvals and appoint a contractor - Commence construction / renovation of the New Factory
4Q 2028	- Complete the construction / renovation of the New Factory - Obtain relevant CCC - Install new machinery and equipment at the New Factory - Obtain the necessary certifications, registrations and licences for our manufacturing operations at the New Factory
1Q 2029	Commence manufacturing operations at the New Factory

The following table sets out the estimated cost for the establishment of the New Factory:

Description	Estimated cost RM'000	Source of funding	
		IPO proceeds RM'000	Internally generated funds / bank borrowings RM'000
Acquisition of a piece of suitable land for the development of our New Factory	[●]	[●]	-
Construction / renovation of our New Factory	[●]	[●]	12,000
Total estimated cost	[●]	[●]	12,000

As at the LPD, we have yet to incur any cost for the acquisition and construction of the New Factory. We intend to allocate RM[●] million, representing approximately [●]% of the gross proceeds from the Public Issue, to fund the abovementioned plans.

7. BUSINESS OVERVIEW

(ii) Purchase of new machinery and equipment for the expansion of our manufacturing facilities

We plan to purchase the following machinery and equipment to expand our product range and capabilities:

- a process blender and associated facilities for the manufacturing of malt products at our Kulim Factory, which is expected to be installed in the second quarter of 2027. This is part of our plan to increase the existing production capacity of our malt operation, which was operating at approximately 90% utilisation in FYE 2024 at our SJ Factory. As at the LPD, we also have a vacuum belt dryer which will operate in conjunction with the blender and associated facilities for the manufacturing of malt products. The malt production will have a production capacity of 3,600 tonnes per annum. Additionally, the decision to install these machineries for the manufacturing of malt products at our Kulim Factory (instead of SJ Factory) was made to capitalise on the cost efficiencies available at our Kulim Factory as its manufacturing operations use natural gas (as opposed to fuel oil) and is equipped with solar panels to power our operations;
- a spray dryer, a vacuum belt dryer, and associated facilities for the manufacturing of flavour products at the New Factory, which are expected to be installed following the establishment of the New Factory in the fourth quarter of 2028. This is part of our plan to expand our product range with new flavour variants, such as butter, cream, milk, and savoury flavoured powders, as well as to reduce our purchases of flavour products that we currently use in the manufacturing of our flavours range of products. As at the LPD, these flavour products are being developed at our innovation centre at our SJ Factory. We plan to acquire a dedicated spray dryer and vacuum belt dryer specifically for the production of flavour products, with targeted annual production capacities of 500 tonnes each; and
- a dry-mixing equipment and a down-packaging equipment for the blending and down-packaging of bakery enhancement products at the New Factory, which are expected to be installed following the establishment of the New Factory in the fourth quarter of 2028. The intended dry-mixing equipment and down-packaging equipment will have a production capacity of 1,500 tonnes per annum.

The following table sets out the estimated cost for the purchase of new machinery and equipment for the expansion of our manufacturing facilities:

Description	Estimated cost RM'000	Source of funding	
		IPO proceeds RM'000	Internally generated funds / bank borrowings RM'000
Purchase and installation of new machinery and equipment	[●]	[●]	5,000

As at the LPD, we have yet to incur any cost for the purchase of these machinery and equipment. We intend to allocate RM[●] million, representing approximately [●]% of the gross proceeds from the Public Issue, to fund the abovementioned plans.

7. BUSINESS OVERVIEW

7.19.2 Investment in IT and automation systems

We plan to invest in IT and automation systems to improve operational efficiency as well as to support our growth. This plan is aligned with our broader expansion strategy to enhance process control, data visibility, and decision-making across our manufacturing and business operations.

Our investment in IT and automation systems entails:

- installing two robotic palletisers to replace manual labour for the stacking of finished goods in Spray Dryer Plant 1 and Spray Dryer Plant 2; and
- implementing a WMS to improve traceability and operational efficiency in our warehouse at Kulim Factory, OCSB Warehouse, and the warehouse at our New Factory.

(i) Robotic palletisers

Robotic palletisers are automated systems designed to stack products onto pallets in a programmed pattern using robotics or computer-controlled motion. These robots are designed to mimic human movements, enabling them to handle various types of goods efficiently for storage and transportation. They can operate continuously, picking products one at a time, by row, or by layer, depending on the tooling and programming. Compared to manual stacking, robotic palletisers offer several benefits, including enhanced efficiency and productivity, improved workplace safety, consistent quality and precision, long-term cost efficiency, and reduced reliance on manual labour.

As at the LPD, the palletising process at our Spray Dryer Plant 1 and Spray Dryer Plant 2 is carried out manually, where the products are physically stacked onto pallets by our employees. Currently, a total of 20 personnel are assigned to perform this manual palletising process across both plants (10 personnel per plant, working in two shifts per day).

As part of our effort to reduce reliance on manual labour and increase automation, we plan to purchase and install two units of robotic palletisers at our Spray Dryer Plant 1 and Spray Dryer Plant 2.

With the installation of the robotic palletisers, we expect to reduce our workforce required for palletising at our Spray Dryer Plant 1 and Spray Dryer Plant 2 to a total of eight personnel (four personnel per plant, working in two shifts per day). This reduced manpower can be transferred to other functions to meet the requirements and expansion of our Group.

As at the LPD, a robotic palletiser has been installed at our Spray Dryer Plant 4. We intend to implement the same type of robotic palletisers at our Spray Dryer Plant 1 and Spray Dryer Plant 2.

The purchase and installation of the two robotic palletisers is scheduled to commence in the second quarter of 2026, with complete installation targeted for completion in the second quarter of 2027. As at the LPD, we have yet to incur any cost for the purchase of these robotic palletisers.

Robotic palletiser installed in our Spray Dryer Plant 4



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(ii) Warehouse management system

As at the LPD, our warehouse operations rely on manually keying products and inventory data into our ERP system software, which is inherently slow and highly susceptible to human error. As such, we plan to implement a WMS to automate and enhance our existing system, providing a more accurate, efficient, and real-time view of our warehouse operations.

We intend to deploy technologies such as barcode, QR code, and/or RFID scanning. Barcode and QR scanners will be utilised to manage individual items during operations such as receiving, picking and packing. RFID scanners will be utilised for high-volume and bulk items movements, including the automated tracking of pallets and containers. We plan to install RFID readers at the entry and exit points of our warehouses. These readers will automatically capture the arrival of input materials and the dispatch of finished goods, providing instant and real-time updates without manual intervention.

We aim to implement the WMS for our warehouse in Kulim Factory and OCSB Warehouse in the fourth quarter of 2026, which will be funded using proceeds from the Public Issue. We also aim to implement the WMS for our new warehouse in the New Factory in the fourth quarter of 2028, which will be funded using internally generated funds and/or bank borrowings.

The following table sets out the estimated cost for the investment in IT and automation systems:

Description	Estimated cost RM'000	Source of funding	
		IPO proceeds RM'000	Internally generated funds / bank borrowings RM'000
Purchase and install two robotic palletisers at our Spray Dryer Plant 1 and Spray Dryer Plant 2	[•]	[•]	-
Implementation of WMS for our warehouse in Kulim Factory, OCSB Warehouse and New Factory	[•]	[•]	1,000
Total estimated cost	[●]	[●]	1,000

We intend to allocate RM[•] million, representing approximately [•]% of the gross proceeds from the Public Issue, to fund the abovementioned plans.

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7.19.3 Expansion of product range

Our product expansion strategy aims to strengthen our position as a customised and solution-driven manufacturer of specialty food ingredients and food products, and enhance the value we offer to our customers across diverse end-use sectors.

We intend to allocate RM5.00 million for the R&D of new product range, which will be funded using internally generated funds and/or bank borrowings. Our product development roadmap focuses on the following key areas:

- **New product range development**

We are expanding into complementary product categories to diversify our existing product offerings. This includes the development of the following:

- Flavour products such as butter, cream, milk, cheese and savoury flavoured products;
- Nutritional and functional powdered blends tailored for specific health or dietary needs;
- Plant-based ingredient systems in line with global trends toward clean label and vegan-friendly formulations;
- Application-specific ingredients for bakery, confectionery, ready-to-drink beverages, and meal replacement products; and
- Application-specific base powders for infant and follow-up formula, health, and nutrition products.

As at the LPD, we are developing one new formulation, namely microencapsulated CaHMB, to expand our nutritional lipid powder product range. Calcium β -hydroxy β -methylbutyrate (CaHMB) is the calcium salt form of β -hydroxy β -methylbutyrate (HMB), which is a metabolite (a substance produced during metabolism) of the essential amino acid leucine. CaHMB is primarily used in dietary supplements and sports nutrition products.

- **Customer-centric development**

Our ability to co-develop and customise products to meet our customers' specifications on formulation, flavour, texture, and nutritional aspects has allowed us to strengthen customer relationships, improve customer retention, and position ourselves as a long-term partner. As at the LPD, we are developing 20 customised formulations with our customers.

- **Investment in R&D capabilities**

We plan to invest in our R&D infrastructure, including pilot-scale plants and testing equipment to support our specialty food ingredients and food products innovation pipeline. Our R&D team works closely with our sales and technical support team to convert customer insights and market trends into commercially viable products. We intend to allocate RM5.00 million for the purchase of pilot-scale plants and testing equipment, and this will be funded using internally generated funds and/or bank borrowings.

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7.20 ESG PRACTICES

Our Group has established an ESG Framework, which is aligned with the National Sustainability Reporting Framework (NSRF) of Malaysia and Bursa Malaysia's Sustainability Reporting Guidelines, to ensure that our Group's operations are carried out in a responsible and sustainable manner. The ESG framework is an integrated sustainability management system embedded into our Group's overall corporate strategy, operations and risk management practices.

Our Group's ESG Practices are as follows:

7.20.1 Environmental

(i) Energy management and water conservation

We manage our environmental impact through our Environmental Policy. Energy and water usage are monitored systematically using standardised data tracking records. We have adopted initiatives such as efficient lighting usage and water-saving measures to reduce consumption and in-turn operating costs. These measures are subject to audits and performance reviews to ensure compliance with our internal environment policy, applicable local environmental regulations and ISO standards.

(ii) Sustainable resource management

We have implemented waste management systems to minimise, segregate, recycle and responsibly dispose of waste, particularly in our packaging and manufacturing processes. We also encourage our suppliers to adopt sustainable sourcing practices and adhere to our waste reduction goals.

We aim to strengthen our sustainable resource management through continuous engagement with our stakeholders as well as monitoring our waste management systems.

(iii) Emissions management

Our Group is committed to address climate-related risks and reduce greenhouse gas emissions. We have installed solar power systems at our Kulim Factory and adopted battery-powered forklifts at our manufacturing facilities to reduce reliance on fossil fuels and carbon footprint. These initiatives form part of our broader carbon reduction roadmap, supported by regular reviews of our health, safety and environmental (HSE) policies. Our Group maintains transparent communication with the relevant stakeholders regarding climate practices, reinforcing our commitment to environmental resilience and continuous emissions reduction.

7.20.2 Social

(i) Human rights and fair employment

Our Group enforces a zero-tolerance policy on exploitative practices through our policies such as our child labour policy, forced labour policy, freely chosen employment policy and foreign worker management policy. These policies ensure that all our local employees and foreign workers are hired based on legal, voluntary and non-discriminatory practices. Our Group also requires all vendors, contractors and service providers to declare their adherence to these same standards, ensuring a responsible and ethical supply chain. Through these policies and practices, we aim to create a safe, fair and inclusive working environment.

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(ii) Fair wages and ethical recruitment

Our Group recognises that people are at the core of sustainable growth and that fostering a fair, safe and inclusive work environment is essential to long-term business resilience. Social sustainability within our Group extends beyond compliance, it encompasses respect for human rights, ethical employment practices, employee empowerment, workplace safety and meaningful community impact. Our Group's approach to social responsibility is guided by Malaysian recognised labour standards and is implemented through our policies, systems and accountability structures. To reinforce economic justice and equitable treatment of all workers, our Group embeds ethical recruitment practices within our hiring practices supported by our ethical recruitment policy. Our Group also adopts measures such as monthly wage analysis to ensure our employees are being compensated fairly.

(iii) Diversity and inclusion

Our Group is committed to cultivating a diverse, equitable and inclusive workplace that values differences and provides equal opportunities regardless of gender, ethnicity, nationality, religion, age or disability. This is supported by our diversity policy, sexual harassment policy and anti-retaliation policy. These policies collectively aim to create a safe, respectful and collaborative environment, while also safeguarding our employees and stakeholders against harassment, discrimination or victimisation. These policies are communicated across all levels of staff to reinforce inclusive behaviour, raise awareness of unconscious bias and build cultural competence. Our diversity and inclusion practices are subject to regular monitoring and review to ensure compliance with legal requirements, alignment with best practices and consistent implementation throughout our Group.

(iv) Occupational health, safety and living conditions

We have in place our Occupational Health and Safety Policy which aligns with national Occupational Safety and Health Act and DOSH requirements, with the primary aim of providing a safe and healthy workplace. It sets out procedures for hazard identification, risk mitigation, emergency response and incident reporting. We carry out regular workplace inspections, safety briefings and job safety analyses to minimise health and safety risks.

Our Group also prioritises the welfare of our foreign workers, by ensuring their accommodations meet safety, sanitation and dignity standards. We routinely conduct workplace impact assessments to assess and improve their living conditions. These measures are continuously reviewed and improved to ensure full compliance with the applicable recognised workplace safety standards as well as occupational safety and health regulations.

(v) Product quality

We strive to ensure that our specialty food ingredients and food products meet strict food safety and quality control standards. As at the LPD, our Kulim Factory and SJ Factory are operating in accordance with the food safety and quality practices under the HACCP, GMP and MeSTI certifications. Our incoming materials are inspected, verified and tested to ensure they meet our specifications. We would ask for Certificate of Analysis from our suppliers before accepting some of our incoming materials. Only materials that meet quality and safety standards are approved and accepted, while non-conforming batches are rejected to safeguard our product integrity.

We also produce nutritional lipid powder, clean label and vegan-friendly high-fat powder, and fish oil powder which are health-oriented specialty food ingredients that deliver nutritional benefits.

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(vi) Employee engagement and grievance redressal

Our Group fosters two-way communication through communication channels and focus group discussions to monitor employee well-being, morale and organisational culture. In addition, our Group's whistleblowing policy provides a secure and confidential avenue for employees to report misconduct, discrimination or workplace grievances without fear of retaliation. All reported issues are investigated promptly and outcomes are communicated transparently. By embedding these feedback and grievance mechanisms into our human capital strategy, we aim to strengthen employee engagement, enhance workplace satisfaction and build a culture of fairness, dignity and trust. In addition, our employees have been trained in HACCP and GMP food safety practices.

(vii) Responsible supply chain and ethical sourcing

Our Group integrates ESG criteria into supplier selection, onboarding, monitoring and engagement processes to drive long-term sustainability across our value chain. All suppliers are encouraged to adhere to our Group's responsible sourcing policy and applicable regulatory requirements to promote continuous improvement in responsible supply chain management.

Our Group has developed a supplier sustainability program that embeds ESG principles into all procurement and vendor management practices. Through our Group's responsible sourcing policy, supplier registration application form and supplier sustainability questionnaire, our suppliers are evaluated on labour practices, environmental stewardship, health and safety compliance and ethical conduct. Assessments are carried out during onboarding and, where necessary, through site visits and document verification. We may terminate business relations with non-compliant suppliers to ensure alignment with our Group's corporate values.

7.20.3 Governance

Our Group is dedicated to uphold high level of corporate governance through upholding the MCCG. Accordingly:

- (i) we have established an Audit Committee, a Sustainable and Risk Management Committee, and Nominating and Remuneration Committee to oversee amongst others, sustainability and risk management strategies, review of potential conflict and related party transactions, remuneration of Directors, and approval of relevant policies;
- (ii) we have adopted the Anti-Bribery and Anti-Corruption Policy, Whistleblowing Policy and Anti-Retaliation Policy to promote good corporate governance and to ensure transparency, accountability and ethical behaviour at all levels of our operations;
- (iii) the positions of our Chairman and Managing Director are held by different individuals;
- (iv) our Board comprises at least 30% women Directors; and
- (v) as part of our continuous effort and commitment in ensuring product quality, our Group has obtained HACCP, GMP and MeSTI certifications for our manufacturing operations at our Kulim Factory and SJ Factory.

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7.21 MAJOR LICENCES, PERMITS AND APPROVALS

Please refer to Annexure A of this Prospectus for details on the major licences, permits and approvals obtained by our Group, and the status of compliance of material conditions attached as at the LPD.

7.22 INTELLECTUAL PROPERTY RIGHTS

Please refer to Annexure C of this Prospectus for details on the intellectual property rights of our Group.

7.23 MATERIAL PROPERTIES

Please refer to Annexure B of this Prospectus for details of material properties owned and rented by our Group as at the LPD.

Save as disclosed in Section 7.26.1 of this Prospectus, none of our material properties are in breach of any land use conditions and/or are in non-compliance with current applicable laws, rules and building regulations.

7.24 MATERIAL DEPENDENCY ON CONTRACTS, LICENCES AND PERMITS, INTELLECTUAL PROPERTY RIGHTS OR OTHER ARRANGEMENTS

As at the LPD, save for the major licences, permits and approvals in Annexure A and the intellectual property rights in Annexure C, the business and profitability of our Group are not materially dependent on any commercial or financial contracts, licences and permits, intellectual property rights or other arrangements.

7.25 GOVERNING LAWS, REGULATORY REQUIREMENTS AND ENVIRONMENTAL ISSUES

Our business is regulated by, and in some instances required to be licenced under specific laws of the jurisdictions where we operate our business. The relevant laws and regulations governing our Group in Malaysia, our core market, and which are material to our operations are summarised below.

The following does not purport to be an exhaustive description of all relevant laws and regulations of which our business is subject to and is only intended to provide general information to investors. It is not intended to be a substitute for independent professional advice. Non-compliance with the relevant laws and regulations below may result in monetary and/or custodial penalties and/or any other orders being made.

(i) Industrial Co-ordination Act 1975 ("ICA 1975")

The ICA 1975 provides for the co-ordination and orderly development of manufacturing activities in Malaysia, for the establishment of an Industrial Advisory Council and for other matters connected therewith or incidental thereto.

Pursuant to Section 3(1) of the ICA 1975, no person shall engage in any manufacturing activity unless he is issued a licence in respect of such manufacturing activity. Any person engaging in any manufacturing activity with a shareholders' fund of RM2.5 million and above or employing 75 or more full-time paid employees are required to apply for a manufacturing licence.

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Failure to comply constitutes an offence and such person shall, on conviction, be liable to a fine not exceeding RM2,000 or to a term of imprisonment not exceeding six months and to a further fine not exceeding RM1,000 for every day during which such default continues.

The licensing officer may also in his discretion revoke a licence if the manufacturer to whom a licence is issued:

- (a) has not complied with any condition imposed in the licence;
- (b) is no longer engaged in the manufacturing activity in respect of which the licence is issued; or
- (c) has made a false statement in his application for the licence.

The licensing officer may also withhold or suspend the revocation of the licence if he is satisfied that the act or omission on the part of the manufacturer under the above situations was due to some cause beyond his control and there is a reasonable prospect of such act or omission being remedied within such period as the licensing officer may direct.

(ii) Food Act 1983 ("FA 1983")

The FA 1983 and Food Regulations 1985 ("**Food Regulations**") are laws governing food safety and quality control. The objective is 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.

Section 15 of the FA 1983 provides that where a standard has been prescribed for any food, any person who prepares, packages, labels or advertises any food which does not comply with that standard, in such a manner that it is likely to be mistaken for food of the prescribed standard, commits an offence and is liable on conviction to imprisonment for a term not exceeding three years or to fine or to both.

Regulations 9 to 18E of the Food Regulations set out the regulations on labelling of food packaging that has to be adhered to. Regulation 397 of the Food Regulations provides that any person who contravenes or fails to comply with any provisions of the Food Regulations commits an offence and any person who commits an offence against the Food Regulations for which no penalty is provided by the FA 1983 shall, on conviction, be liable to a fine not exceeding RM10,000 or imprisonment for a term not exceeding two years.

Regulation 3 of the Food Hygiene Regulations 2009 requires all the following food premises to be registered, the non-compliance of which shall be an offence punishable with a fine not exceeding RM10,000 or imprisonment not exceeding two years:

- (i) all food premises involved in manufacturing of food;
- (ii) all food premises involved in food catering;
- (iii) all premises where food is prepared, processed, kept and served for sale; and
- (iv) all vehicles where food ready for consumption is sold.

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(iii) Food Analysis Act 2011 (“FAA”)

The FAA is an act to regulate the practice of food analysts. Pursuant to Section 20(1) of the FAA, a registered food analyst who intends to practise as a food analyst shall apply for an annual practising certificate. Any person who employs a person who practices food analysis without a valid annual practising certificate commits an offence and shall, on conviction, be liable:

- (a) in respect of a first offence, to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding three years or to both;
- (b) in respect of a subsequent offence, to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding five years or to both;
- (c) in respect of a continuing offence, to a further fine of RM500 for each day the offence continues after conviction in addition to the penalties provided under paragraphs (a) and (b) above.

Section 31(1) of the FAA provides that no person shall issue or certify in writing the result of any food analysis for the purpose of determining the composition or specification of any substance or product consumed or used by, or intended for the consumption or use of the public unless he is a registered food analyst and has a valid annual practising certificate.

Any person who contravenes the above provision commits an offence and shall, on conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding three years or to both and for a subsequent offence, to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding five years or to both.

(iv) Control of Supplies Act 1961 (“CSA 1961”)

The CSA 1961 is an act to provide for the control and rationing of supplies. The Control of Supplies Regulations 1961 (“**CS Regulations**”) is a regulation made pursuant to the CSA 1974. Pursuant to Regulation 18 of the CS Regulations, any person who carries on any trade or business, which uses or consumes any of the scheduled articles, shall not have in his possession the quantity of the scheduled article as specified in the CS Regulations unless a permit is obtained. The scheduled article includes sugar, cooking oil, diesel and wheat flour. Section 22 of the CSA 1961 provides that any body corporate which commits an offence against the CSA 1961 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.

(v) Occupational Safety and Health Act 1994 (“OSHA 1994”)

The OSHA 1994 provides the framework to secure the safety, health and welfare among workforce and to protect others against risks to safety or health in connection with the activities of persons at work.

The OSHA 1994 imposes a general duty on every employer to ensure, so far as is practicable, the safety, health and welfare of its employees at work. Such duty, so far as is practicable, includes:

- (a) providing and maintaining plants and systems of work that are safe and without risks to health;

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- (b) making arrangements to ensure safety and absence of risks to health in connection with the use or operation, handling, storage and transport of plant and substances;
- (c) providing information, instruction, training and supervision as is necessary to ensure the safety and health at work of his employees;
- (d) maintaining any place of work under the control of the employer, in a condition that is safe and without risks to health and providing and maintaining means of access to and egress from it that are safe and without such risks;
- (e) providing and maintaining a working environment for his employees that is safe, without risks to health, and adequate as regards facilities for their welfare at work; and
- (f) formulating and implementing safety and health policies. Such safety and health policy shall be revised as often as it may be appropriate and shall be brought to the notice of all employees.

The employer shall also establish a safety and health committee at the place of work if there are 40 or more persons employed at the place of work. An occupier of a place of work is also required to employ a competent person to act as a safety and health officer at the place of work. The OSHA 1994 also requires a company to notify the nearest occupational safety and health office of any accident, dangerous occurrence, occupational poisoning or occupational disease which has occurred or is likely to occur at the place of work.

Failure to comply with the general duties of employers under Part IV of OSHA 1994 constitutes an offence and the employer is liable to a fine not exceeding RM500,000 or to imprisonment for a term not exceeding two years or to both.

Following the Factories and Machinery (Repeal) Act 2022, the OSHA 1994 also provides that no person shall operate or cause or permit to be operated any steam boiler, pressure vessel and lifting machinery ("**Plant**") unless a certificate of fitness has been issued. Failure to comply with the above shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding one year or to both. In addition, an officer shall immediately serve to the person who operates or causes or permits to be operated the Plant without a certificate of fitness, a written notice prohibiting the operation of the Plant until a certificate of fitness is issued. Failure to comply with the notice shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM500,000 or to imprisonment for a term not exceeding two years or to both.

(vi) **Street, Drainage and Building Act 1974 ("SDBA")**

The SDBA is enforced by the local authorities of Peninsular Malaysia, and it provides for the requirement of having a CCC for the occupation of any building or any part thereof.

Under the Uniform Building By-Laws 1984 ("**UBBL**") which was issued pursuant to the SDBA, a CCC or equivalent shall be issued by the principle submitting person when:

- (a) all the technical conditions as imposed by the local authority have been duly complied with;
- (b) the relevant certifications have been duly certified and received by him;

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- (c) all the essential services, including an access road, landscape, car park, drain, sanitary, water, electricity installation, communication, fire hydrant, sewerage and refuse disposal requirement, and fire lift where required, has been provided; and
- (d) he certifies that he has supervised the erection and completion of the building and that to the best of his knowledge and belief the building has been constructed and completed in accordance with the SDBA, the UBBL and the approved plans.

Any person who occupies or permits to be occupied any building or any part thereof without a CCC or equivalent commits an offence punishable with a fine not exceeding RM250,000 or with an imprisonment for a term not exceeding 10 years or with both under the SDBA.

Pursuant to the UBBL, a temporary permit may be issued at the discretion of the local authority for the erection of a temporary building and shall be subject to all or some of the conditions as set out in the UBBL.

Any person who contravenes the above provision shall be liable on conviction to a fine not exceeding RM500 and shall also be liable to a further fine not exceeding RM100 for every day during which the offence is continued after conviction.

(vii) Local Government Act 1976 (“LGA”)

Under the LGA and the by-laws of the respective local authorities in Peninsular Malaysia, a business licence is granted by the local authority and is generally valid for a period not exceeding three years and is subject to renewal. Every person to whom a licence is granted shall exhibit his licence at all times in some prominent place on the licensed premises and shall produce such licence if required to do so by any officer of the local authority. Any person who fails to exhibit or to produce such licence shall be guilty of an offence and shall on conviction be liable to a fine not exceeding RM500 or to imprisonment for a term not exceeding six months or to both.

(viii) Trade Descriptions Act 2011 (“TDA 2011”)

The TDA 2011 is an act 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, and to provide for matters connected therewith or incidental thereto.

Section 16 of the TDA 2011 provides that no person shall make any false representation by any means, whether direct or indirect, that any goods or services supplied by him or any methods adopted by him are of a kind supplied to or approved by any person including any government or government department or agency or any international body or agency whether in Malaysia or abroad. Any person who contravenes Section 16 commits an offence and shall on conviction, be liable, if such person is a body corporate, to a fine not exceeding RM500,000 and for a second or subsequent offence, to a fine not exceeding RM1,000,000.

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Pursuant to Regulation 4(1) of the Trade Descriptions (Certification and Marking of Halal) Order 2011 ("**Trade Halal Cert 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 Trade Halal Cert Order.

Pursuant to Regulation 8 of the Trade Halal Cert Order, any person who supplies or offers to supply any food, goods or services in relation to the food or goods, in contravention of this Order, commits an offence and shall, on conviction, be liable, 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.

(ix) **Employment Act 1955 ("EA")**

The EA regulates all labour relations including, amongst others, contracts of service, payment of wages, rest days, hours of work and termination. According to Section 99A of the EA, a general penalty of a fine not exceeding RM50,000 is prescribed to whomever that contravenes any section of the EA where no specific penalty is provided.

The EA also provides regulations for the employment of foreign employees. Pursuant to Section 60(K)(1) of the EA, it is a requirement for employers to obtain approval from the Director General of Labour before a foreign employee can be employed. Any employer who contravenes this section commits an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding five years or to both.

Pursuant to the National Wages Consultative Council Act 2011, an employer who fails to pay the basic wages, as specified in the minimum wages order, to his employees commits an offence and shall, on conviction, be liable to a fine not of not more than RM10,000 for each employee. According to the Minimum Wages Order 2024, the minimum wage, effective 1 February 2025, is RM1,700 monthly and RM8.72 hourly, applicable to employees of employers who, amongst others, employ five or more employees.

Employment (Part-Time Employees) Regulation 2010 govern the overtime pay, holidays, annual leave, sick leave, and rest day for part-time employees. Any employer who contravenes the regulation commits an offence and shall, on conviction, be liable to a fine not exceeding RM10,000.

(x) **Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 ("EMSH 1990")**

The EMSH 1990 prescribes the minimum standards of housing, nurseries and accommodation for employees (and their dependents, if applicable) as well as health, hospital, medical and social amenities to be provided by the employers to their employees.

The EMSH 1990 imposes the duty and responsibility on employers or centralised accommodation providers to, amongst others, ensure that:

- (a) every accommodation provided for employees complies with the minimum standards required under the EMSH 1990 and any regulations issued under the EMSH 1990;
- (b) no employee accommodation will be provided to an employee unless such accommodation is certified with a certificate for accommodation;

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- (c) the employee accommodation has decent and adequate amenities in accordance with the EMSH 1990 and any regulations issued under the EMSH 1990; and
- (d) preventive measures are taken to contain the spread of infectious diseases as ordered by the Medical Officer of Health in accordance with the relevant laws and the employer will, at his own expense, make arrangements as ordered by the Medical Officer of Health so that all or any of the employees be given immunization against any infectious disease.

An employer who provides accommodation that is not certified with the certificate for accommodation to an employee commits an offence and shall, on conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding one year or to both.

Further, the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) Regulations 2020 imposes, amongst others, the minimum requirements for employee accommodations including the size of floor area for bedrooms and sleeping areas, the obligation on employers or centralized accommodation providers to ensure the provision of water and electricity supply as well as basic amenities.

(xi) Environmental Quality Act 1974 ("EQA 1974")

The EQA 1974 sets out provisions in respect of prevention, abatement, control of pollution and enhancement of the environment. It is an offence under the EQA 1974 for any person, unless licensed to do so, to amongst others:

- (a) emit or discharge any environmentally hazardous substances, pollutants or wastes into the atmosphere;
- (b) pollute or cause or permit to be polluted any soil or surface of any land; or
- (c) emit, discharge or deposit any environmentally hazardous substances, pollutants or wastes into any inland waters;

in contravention of the acceptable conditions specified under the EQA 1974. Any person who contravenes the above shall be guilty of an offence and shall, on conviction, be liable to a fine and imprisonment term as specified in the EQA 1974.

Amongst other regulations, the Environmental Quality (Scheduled Waste) Regulations 2005 ("**Scheduled Waste Regulations**") specify the following requirements:

- (a) any person who generates scheduled wastes ("**Waste Generators**") shall, within 30 days from the date of generation of scheduled wastes, notify the DGEQ of the new categories and quantities of scheduled wastes which are generated;
- (b) scheduled wastes shall be disposed of at prescribed premises only and shall, as far as practicable, before disposal, be rendered innocuous;
- (c) scheduled wastes be treated at prescribed premises or at on-site treatment facilities only and the residuals from treatment of scheduled wastes shall be treated and disposed of at prescribed premises;

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- (d) a Waste Generator may apply to the DGEQ in writing to have the scheduled wastes generated from their particular facility or process excluded from being treated, disposed of or recovered in premises or facilities other than at the prescribed premises, on-site treatment or recovery facilities. If the DGEQ is satisfied with the application made, the DGEQ may grant a written approval either with or without conditions; and
- (e) a Waste Generator shall keep an accurate and up-to-date inventory of scheduled wastes generated, treated and disposed of in accordance with the Fifth Schedule of the Scheduled Waste Regulations and of materials or product recovered from such scheduled wastes for a period up to three years from the date of the scheduled wastes was generated.

Any person who contravenes the Scheduled Waste Regulations may be compounded under the EQA 1974.

Further, the Environmental Quality (Clean Air) Regulations 2014 ("**Clean Air Regulations**"), which is applicable to industrial plants, specify the following requirements:

- (a) a written notification shall be submitted by the owner or occupier of a premises to the DGEQ not less than 30 days before the commencement of the following:
 - (1) any change in operation of his premises;
 - (2) any work on any premises that may result in a source of emission;
 - (3) construction of any building or premises on any land designed or used for a purpose that may result in a new source of emission;
 - (4) any change of, to, or in any plant, machine, or equipment used or installed at the premises that causes a material change in the quantity or quality of emission from an existing source; or
 - (5) any changes or modifications to an existing facility designed and constructed for the purpose of preventing or reducing the potential emission that causes air pollution, and includes the extraction system, control equipment and chimney ("**Air Pollution Control System**");
- (b) every premises shall be equipped with an Air Pollution Control System in accordance with the specifications as determined by the DGEQ;
- (c) the owner or occupier of the premises must operate and maintain the Air Pollution Control System in accordance with sound engineering practice and ensure that all components of the Air Pollution Control System are in good working condition; and
- (d) the owner or occupier of the premises and the professional engineer shall, within 30 days after the commencement of operations at the premises, submit a written declaration to the DGEQ, certifying that the design and construction of the Air Pollution Control System have complied with the specifications as determined by the DGEQ.

Any person who contravenes the Clean Air Regulations shall be guilty of any offence and shall be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding two years or to both.

7. BUSINESS OVERVIEW

(xii) Fire Services Act 1988 (“FSA”)

The FSA prescribes the effective and efficient functioning of the Fire Services Department, for the protection of persons and property from fire risks or emergencies. The FSA provides, amongst other things, that a fire certificate be issued only after the designated premises have been inspected and the Fire and Rescue Department of Malaysia (“**Bomba**”) is satisfied that there are adequate fire-fighting equipment or fire safety installation in relation to the use of the designated premises.

Pursuant to Section 28 of the FSA, every designated premises shall require a fire certificate. Where there is no fire certificate in force, the owners of such premises may become subject to a fine not exceeding RM50,000 or imprisonment for a term not exceeding five years or to both. The Bomba also has a general authority to order or direct the owner or occupier of any premises to cease any activities if the Bomba is satisfied that, amongst others, any continued activity would constitute an immediate danger of fire prejudicial to the safety of life or property.

7.26 ADDITIONAL DISCLOSURE / OTHER MATTERS

We set out below the subsisting and past rectified material non-compliances of our Group as at the LPD.

7.26.1 Subsisting material non-compliances

(a) Additional structures erected in the Kulim Factory without the prior written permission of the local authority (“Kulim Factory Non-Compliance”)

The Kulim Factory is located on a parcel of leasehold land owned by Perbadanan Kemajuan Negeri Kedah and houses three spray dryers, namely (i) Spray Dryer Plant 1; (ii) Spray Dryer Plant 2; and (iii) Spray Dryer Plant 3.

As at the LPD, the Kulim Factory possess one CF issued in 1999 and four CCCs issued between 2013 and 2023 (“**Existing CCCs**”). Further, the Spray Dryer Plant 4 will be issued with a CCC after its completion (“**New CCC for Plant 4**”).

Subsequent to the issuance of the respective Existing CCCs, CFI had carried out some works to the Kulim Factory (“**Renovation Works**”) without prior written permission of the local authority, namely Majlis Perbandaran Kulim (“**MPK**”). The Renovation Works were mainly internal modifications to improve space utilisation and production flow, such as the installation and removal of drywall partitions, addition of doors and windows, modification of existing openings into roller shutters, and installation of metal platforms and awnings.

The Renovation Works were minor as it does not add or alter any existing structure of the Kulim Factory in such manner as to involve: (i) new foundations; or (ii) new or partly new or increased superstructure or roof on existing walls or existing foundations. Accordingly, there is no need for CFI to obtain any new CCCs.

7. BUSINESS OVERVIEW

We, in consultation with our building consultant, have engaged with MPK in respect of Kulim Factory Non-Compliance. After taking into consideration that the minor Renovation Works were undertaken without prior written permission of MPK and there will be a New CCC for Plant 4 for our Kulim Factory, we plan to submit an application to consolidate all the CF/CCCs into a single CCC to reflect the Renovation Works undertaken and to seek MPK's written permission for the Renovation Works done ("**MPK Application**"). The consolidated CCC shall supersede the Existing CCCs and New CCC for Plant 4, and the consolidation process can only commence upon the issuance of the New CCC for Plant 4.

We have appointed a registered civil and structural engineer as the Principle Submitting Person ("**PSP**") and a building consultant to coordinate and prepare the as-built drawings for the MPK Application to be submitted to MPK for approval.

We set out below the rectification measures taken and to be undertaken:

- (i) to obtain the approval for as-built building plan in connection with the MPK Application, which has been submitted on 19 June 2025. As at the LPD, the approval from MPK is still pending and is expected to be obtained in the fourth quarter of 2025;
- (ii) to obtain the New CCC for Plant 4, which is expected to be obtained in the fourth quarter of 2025;
- (iii) upon approval for the as-built building plan, the PSP is to obtain a clearance letter from the building department of MPK. The clearance letter is required for the PSP to issue the Stage Certification: Building (in the form of Form G12 pursuant to the Uniform Building By-Laws 1984 ("**Form G12**")) to certify that the Kulim Factory has been erected and completed in accordance with the approved as-built building plan, which is expected to be obtained in the fourth quarter of 2025; and
- (iv) upon issuance of the Form G12 by the PSP and the New CCC for Plant 4, the PSP is expected to deposit the new consolidated CCC in the fourth quarter of 2025.

The estimated cost for our Group to rectify the Kulim Factory Non-Compliance which includes the professional fees, and application and licensing fees to MPK is RM72,800.

If we are found liable, the Kulim Factory Non-Compliance will attract the following penalties under the SDBA:

- (i) a fine not exceeding RM500 and a further fine not exceeding RM100 for every day during which the offence is continued after conviction pursuant to Section 79(1) of the SDBA; and/or
- (ii) a fine not exceeding RM50,000 or to imprisonment for a term not exceeding three years or to both and to a further fine of RM1,000 for every day during which the offence is continued after conviction pursuant to Section 70(13) of the SDBA.

If proceedings have not been instituted against us, we shall, on submission of plans and specifications to MPK, pay a sum of not less than five times but not exceeding 20 times the prescribed fees as determined by the authority pursuant to Section 70(14) of the SDBA. In our case, the potential sum to be imposed by MPK to us pursuant to Section 70(14) of the SDBA is RM2,400. As at the LPD, we have yet to receive the actual sum to be imposed by MPK in connection with the MPK Application.

7. BUSINESS OVERVIEW

Our Directors are of the opinion that this non-compliance will not have a material adverse impact to our Group's operations and financial condition as:

- (i) as at the LPD, no notices, fines, compounds or stop work order were imposed to our Group in relation to the Kulim Factory Non-Compliance;
- (ii) we have undertaken the necessary steps towards obtaining the written permission from MPK for the Renovation Works done on the Kulim Factory. This includes liaising with MPK on the Kulim Factory Non-Compliance and subsequently submitted the as-built building plan and MPK Application to MPK for approval;
- (iii) the building consultant has engaged with MPK and was made to understand that no fines and penalty will be imposed on our Group for the Kulim Factory Non-Compliance as the previous building plans for the Kulim Factory have been approved accordingly and there are Existing CCCs in place; and
- (iv) if penalties were to be imposed on our Group, the maximum potential financial penalty of RM52,900 only represents 0.13% of our Group's PAT for the FYE 2024.

(b) Additional structures erected in the SJ Factory and SJ Warehouse without the prior written permission of the local authority ("SJ Factory and Warehouse Non-Compliances")

We are currently renting the SJ Factory and SJ Warehouse from our related parties, Mylar and Family Cereal, respectively (collectively, "**Landlords**"). As at the LPD, two CFs have been issued for each of the SJ Factory and SJ Warehouse.

Subsequent to the issuance of the respective CFs for the SJ Factory and SJ Warehouse, CFI had undergone minor renovation works which do not add or alter any existing structure of the SJ Factory and SJ Warehouse in such manner as to involve: (i) new foundations; or (ii) new or partly new or increased superstructure or roof on existing walls or existing foundations. Accordingly, there is no need for CFI to obtain new CCCs.

Notwithstanding this, the renovation works were carried out on the SJ Factory and SJ Warehouse without the prior written permission of the local authority, namely Majlis Bandaraya Seberang Perai ("**MBSP**").

The Landlords have appointed a registered civil and structural engineer as the PSP and a building consultant to coordinate and prepare the application to MBSP for approval for the renovation works done on the SJ Factory and SJ Warehouse.

On 1 August 2025, the PSP has submitted the applications to MBSP, on behalf of the Landlords, for approval for the renovation works done on the SJ Factory and SJ Warehouse ("**MBSP Applications**"). As at the LPD, the approval for the MBSP Applications is still pending and is expected to be obtained in the fourth quarter of 2025.

The estimated cost to rectify the SJ Factory and Warehouse Non-Compliances which includes the professional fees, and application and licensing fees to MBSP is RM27,000, which was borne by the Landlords.

7. BUSINESS OVERVIEW

If we are found liable, the SJ Factory and Warehouse Non-Compliances will attract the following penalties under the SDBA:

- (i) a fine not exceeding RM500 and to a further fine not exceeding RM100 for every day during which the offence is continued after conviction pursuant to Section 79(1) of the SDBA; and/or
- (ii) a fine not exceeding RM50,000 or to imprisonment for a term not exceeding three years or to both and to a further fine of RM1,000 for every day during which the offence is continued after conviction pursuant to Section 70(13) of the SDBA.

Where proceedings have not been instituted against any person for failing to obtain prior permission from MBSP, such person shall, on submission of plans and specifications to MBSP, pay a sum of not less than five times but not exceeding 20 times the prescribed fees, as determined by the authority pursuant to Section 70(14) of the SDBA. In our case, the potential sum to be imposed by MBSP to the Landlords (as the MBSP Applications were submitted by them) pursuant to Section 70(14) of the SDBA is RM4,800 (**"SJ Factory and Warehouse Penalty"**). As at the LPD, we have yet to receive the actual sum to be imposed by MBSP in connection with the MBSP Applications.

Our Directors are of the opinion that this non-compliance will not have a material adverse impact to our Group's operations and financial condition as:

- (i) no fines or penalties were imposed to our Group in relation to the SJ Factory and Warehouse Non-Compliances as at the LPD;
- (ii) we have undertaken the necessary steps towards obtaining the approval for the MBSP Applications. This includes liaising with MBSP on the SJ Factory and Warehouse Non-Compliances and subsequently submitted the MBSP Applications for approval;
- (iii) the cost to rectify the SJ Factory and Warehouse Non-Compliances, and the SJ Factory and Warehouse Penalty to be imposed were / will be borne by the Landlords as CFI is merely a tenant; and
- (iv) if penalties were to be imposed on our Group, the maximum potential financial penalty of RM50,500 only represents 0.12% of our Group's PAT for the FYE 2024.

(c) Additional structures erected in the OCSB Warehouse without the prior written permission of the local authority ("OCSB Warehouse Non-Compliance")

We are currently renting the OCSB Warehouse from our related party, OCSB. As at the LPD, there is a CCC issued for the OCSB Warehouse.

Subsequent to the issuance of the CCC for the OCSB Warehouse, CFI had undergone renovation works on the OCSB Warehouse which resulted in the non-compliance, particularly on the set-back requirement. In addition, the renovation works have been carried out without prior written permission of the local authority, namely MPK. As such, the current structures of the OCSB Warehouse deviated from the building plans approved by MPK and requires a new CCC.

7. BUSINESS OVERVIEW

OCSB has appointed a registered civil and structural engineer as the PSP to prepare the as-built drawings to MPK for approval. On 16 July 2025, the PSP has submitted a temporary permit application to MPK, on behalf of OCSB ("**Temporary Permit Application**"). Further, the land on which the OCSB Warehouse was constructed ("**OCSB Land**") is currently undergoing a subdivision process. Accordingly, the application to obtain a new CCC can only be made after the subdivision process has been completed and hence only the Temporary Permit Application was submitted. As at the LPD, the approval for the Temporary Permit Application is still pending and is expected to be obtained in the fourth quarter of 2025.

Upon the completion of the subdivision of the OCSB Land, OCSB intends to refurbish the OCSB Warehouse and obtain the necessary approvals and CCC. The estimated cost to rectify the OCSB Warehouse Non-Compliance which includes the professional fees, and application and licensing fees to MPK is RM144,094, which is to be borne by OCSB.

If we are found liable, the OCSB Warehouse Non-Compliance will attract the following penalties under the SDBA:

- (i) a fine not exceeding RM50,000 or to imprisonment for a term not exceeding three years or to both and a further fine of RM1,000 for every day during which the offence is continued after conviction pursuant to Section 70(13) of the SDBA; and/or
- (ii) a fine not exceeding RM250,000 or imprisonment for a term not exceeding 10 years or to both pursuant to Section 70(27) of the SDBA.

Where proceedings have not been instituted against any person for failing to obtain prior permission from MPK, such person shall, on submission of plans and specifications to MPK, pay a sum of not less than five times but not exceeding 20 times the prescribed fees, as determined by the authority pursuant to Section 70(14) of the SDBA. In our case, the potential sum to be imposed by MPK to OCSB (as the Temporary Permit Application was submitted by them) pursuant to Section 70(14) of the SDBA is RM60,000 ("**OCSB Warehouse Penalty**"). As at the LPD, we have yet to receive the actual sum to be imposed by MPK in connection with the Temporary Permit Application.

Our Directors are of the opinion that this non-compliance will not have a material adverse impact to our Group's operations and financial condition as:

- (i) no fines or penalties were imposed to our Group in relation to the OCSB Warehouse Non-Compliance as at the LPD;
- (ii) we have undertaken the necessary steps towards obtaining the temporary building permit. This includes liaising with MPK on the OCSB Warehouse Non-Compliance and subsequently submitted the Temporary Permit Application to MPK for approval;
- (iii) the cost to rectify the OCSB Warehouse Non-Compliance and the OCSB Warehouse Penalty to be imposed were/ will be borne by OCSB as CFI is merely a tenant; and
- (iv) if penalties were to be imposed on our Group, the maximum potential financial penalty of RM300,000 only represents 0.71% of our Group's PAT for the FYE 2024.

7. BUSINESS OVERVIEW

7.26.2 Past material non-compliance

No business licence for OCSB Warehouse and SJ Warehouse

Pursuant to the Local Government Act 1976 and the relevant by-law of the local authority, no person shall operate any activity of trade, business and industry or use any place or premise for any activity of trade, business and industry without a business licence issued by the relevant local authorities. Failure to comply may, on conviction, be liable to a fine not exceeding RM2,000 or imprisonment for a term not exceeding one year or both. Additionally, the relevant authority has the power to issue an order to close down any premise which operates without the requisite business licence.

Previously, our Group did not have a business licence issued by the local authority to CFI for operating at the OCSB Warehouse and SJ Warehouse. On 8 April 2025 and 30 April 2025, CFI has obtained the business licences for OCSB Warehouse and SJ Warehouse, which are valid until 7 April 2026 and 31 December 2025, respectively.

There has been no fines or penalties imposed by the relevant authorities on this matter as at the LPD.

7.26.3 Internal control system of our Group

Our Board has implemented the following measures to enhance our internal control system and to prevent the recurrence of the non-compliance incidents set out above:

- (i) we have established a governance and internal control system that encompasses five interrelated components, namely (i) control environment, (ii) risk assessment, (iii) control activities, (iv) information and communication and (v) monitoring. At the core of our governance structure is our Board, which holds ultimate responsibility for governance oversight and setting the “tone at the top”. Our Group has established an Audit Committee, and a Sustainability and Risk Management Committee to support our Board. The role of our Audit Committee is to oversee the effectiveness of internal controls, compliance policies of our Group and the integrity of our financial reporting. Our Sustainability and Risk Management Committee focuses on integrating risk management with ESG considerations into business strategy, and monitoring our sustainability performance;
- (ii) our internal control system will be supported by periodic internal audit reviews, as well as external audits or independent reviews that focus on high-risk and high-impact areas. Those reporting processes provide our Board and its Committees with transparent oversight, while also ensuring continuous improvement of governance, internal control and sustainability practices across our Group; and
- (iii) we have established internal controls to ensure that all necessary applications for licences and approvals, including business licences, renovation works, building plans, CCC and other relevant permits, are submitted in a timely manner to prevent the recurrence of non-compliance incidents. We also maintain a master compliance register to monitor the validity of our business licences and the status of approved building plans, CCC and other required approvals and permits.

7. BUSINESS OVERVIEW

7.27 EMPLOYEES

As at the LPD, we employ a total of 295 employees, 90 of which are non-Malaysian nationals. There are no employees employed by CFI BV. The following table sets out our full-time employees in Malaysia by function as at the LPD:

Function	Number of employees as at the LPD
Managing Director	1
Administrative	39
R&D	13
Sales and marketing	14
QA	28
Warehouse and production	178
Cleaning and maintenance	22
Total	295

As at the LPD, none of our employees belong to any union nor are they parties to any collective agreements and we have not experienced any strikes or other disruptions due to labour disputes.

8. IMR REPORT



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22 September 2025

The Board of Directors
Custom Food Holding Berhad
2931, Lorong Jelawat 1
Kawasan Perusahaan Seberang Jaya
13700 Perai, Pulau Pinang

Dear Sirs and Madams

Independent Assessment of the Specialty Food Ingredient and Food Product Industry

We are an independent business consulting and market research firm based in Malaysia, established in 1993. We offer consulting services, including business plans, opportunity evaluations, commercial due diligence, feasibility studies, financial and industry assessments, and market research. Since 1996, we have been involved in corporate exercises such as initial public offerings, reverse takeovers, chain listings, transfers to the Main Market, and business regularisations for public listed companies on Bursa Malaysia Securities Berhad (Bursa Securities). Our corporate exercise services encompass business overviews, independent industry assessments, management discussions and analyses, and business and industry risk assessments for prospectuses, shareholders' circulars and information memorandums.

We have been engaged to provide an independent assessment of the specialty food ingredient and food product industry for inclusion in the prospectus of Custom Food Holding Berhad's initial public offering and listing of its shares on the Main Market of Bursa Securities. This report has been prepared independently and objectively, with all reasonable due care taken to ensure its accuracy and completeness.

We believe the report provides a true and fair assessment of the industry, considering the limitations of timely and available information, and analyses based on secondary and primary market research as of the report date. However, it should be noted that our assessment pertains to the industry as a whole and may not reflect the performance of any specific company. We accept no responsibility for the decisions or actions of the readers based on this document. This report should not be construed as a recommendation to buy, not buy, sell or not sell the securities of any company.

Please be aware that our report may include disclosures, assessments, opinions, and forward-looking statements that are subject to hitherto unknown or undisclosed information, uncertainties, and contingencies. These statements are based on secondary information and primary market research, and despite careful analysis, the industry is influenced by various known and unforeseen factors that could cause actual outcomes and future results to differ materially from these statements.

Yours sincerely

Wooi Tan
Managing Director

Wooi Tan holds a Bachelor of Science from the University of New South Wales and a Master of Business Administration from the University of Technology, Sydney. He is a Fellow of the Australian Marketing Institute and the Institute of Managers and Leaders, Australia. With over 30 years of experience in business consulting and market research, he has also assisted companies in their initial public offerings and listings on Bursa Malaysia Securities Berhad.

8. IMR REPORT



Date of Report: 22 September 2025

INDEPENDENT ASSESSMENT OF THE SPECIALTY FOOD INGREDIENT AND FOOD PRODUCT INDUSTRY

1. OVERVIEW OF CFH GROUP'S BUSINESS AND REPORT PARAMETERS

- Custom Food Holding Berhad and its subsidiaries (CFH Group) are mainly involved in manufacturing specialty food ingredients and food products such as non-dairy creamers, functional lipid powders, as well as malt and cereal products in Malaysia. The main markets of CFH Group is Malaysia and Asia. These shall form the focus of this report. This report focuses on food and food products intended for human consumption. Within the context of this report, 'food' refers to all edible products, including beverages where relevant, whether raw or processed, whereas 'food products' mainly refer to processed foods. Additionally, food ingredients encompass all substances used in the preparation of food products. All information pertains to Malaysia, unless stated otherwise.

2. INDUSTRY OVERVIEW

2.1 Food Ingredient and Food Product Industry

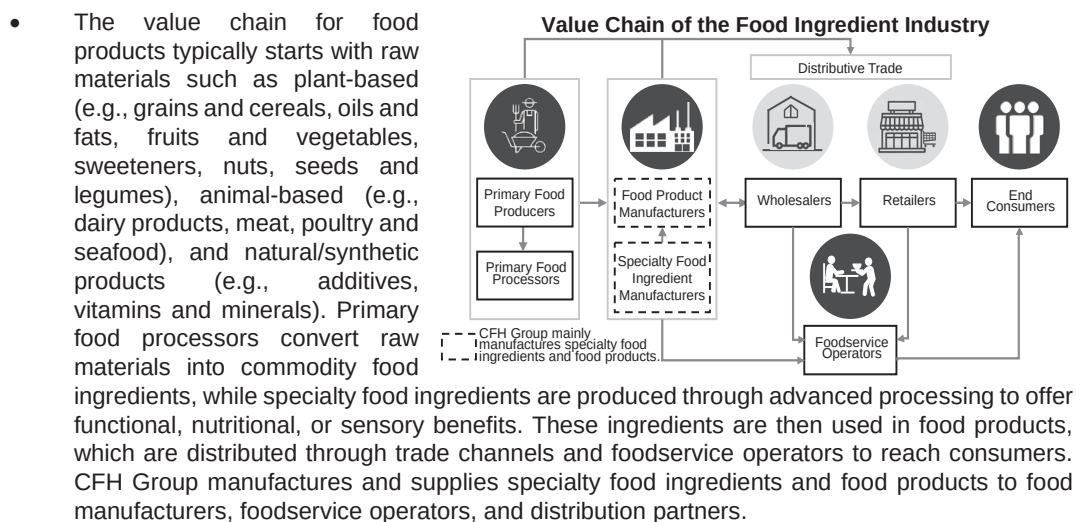
- Food ingredients are the fundamental components used in producing processed food. These include both primary ingredients, such as flour in bread, and secondary ingredients such as preservatives, emulsifiers or flavourings. Food ingredients, sourced from plant-based and animal-based raw materials as well as natural or synthetic products, are used in the processing, manufacturing, preservation, and enhancement of food. They are critical in defining a product's nutritional content, sensory profile, shelf life and quality. Food products refer to the final, consumable goods sold to end consumers. These include snacks, beverages, dairy products and ready-to-eat meals. While food ingredients are the building blocks, food products are the processed products ready for immediate consumption.
- The food ingredient industry can be broadly segmented into two main categories based on usage patterns, processing levels and market characteristics:



- Commodity food ingredients** are widely available, standardised food substances traded in large volumes and used across a wide range of food applications. Examples include grains and cereals (for example, wheat, corn and oats), oils and fats (for example, palm, coconut and sunflower oil), dairy (for example, milk and whey powder), meat and seafood. They are typically specified by general grades, sourced from large-scale producers, and subject to price fluctuations driven by global agricultural markets. Due to their standardisation and broad availability, they serve as essential building blocks in food manufacturing but provide limited differentiation for finished products.
- Specialty food ingredients** such as non-dairy creamers and functional lipid powders, including clouding agents and batter stabilisers are value-added components that provide specific functional, sensory and/or nutritional benefits. These ingredients are produced using specialised techniques such as spray drying, microencapsulation, and emulsification. Although used in small quantities, they play a crucial role in enhancing product quality, stability, sensory attributes, appearance, shelf life, and consumer appeal. Often customised to meet precise formulation and characteristic needs, specialty food ingredients are essential for developing innovative, differentiated products in the processed food industry.

2.2 Value Chain of the Food Ingredient and Food Product Industry

- The food ingredient industry is underpinned by a multi-tiered value chain that transforms plant-based and animal-based raw materials, as well as natural and synthetic products, into functional components used across the food industry.



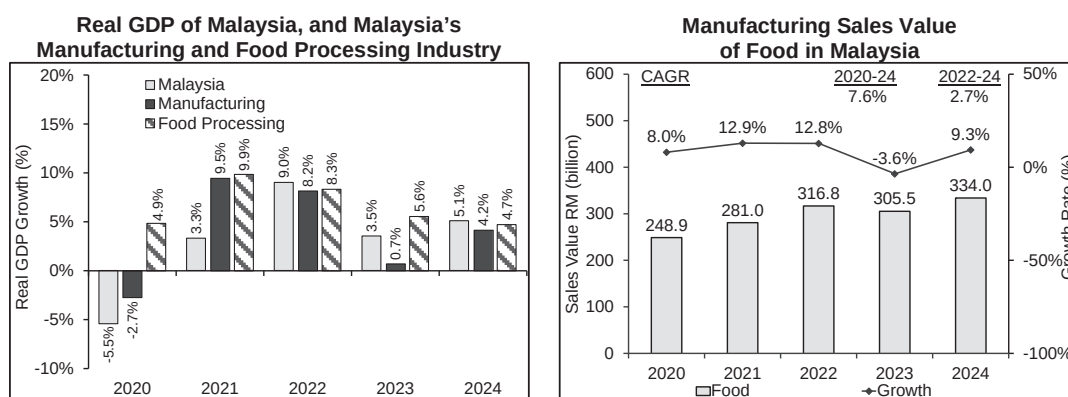
- Under the **Food Hygiene Regulations 2009**, all food premises must be registered with the Ministry of Health (MoH) and renewed every three years. CFH Group's premises are registered with the MoH.
- Food manufacturers must implement at least one **Food Safety Assurance Programme** by MoH, which establishes controls to ensure food safety, quality, authenticity, and legality throughout the entire food supply chain, including the following, among others:
 - **Hazard Analysis and Critical Control Points (HACCP)**: Global system for controlling food safety hazards. Exporters to the European Union must obtain HACCP certification. The certification is valid for three years, with a MoH surveillance audit during the validity period.
 - **Industrial Responsibility Safe Food Certification Scheme** (Makanan Selamat Tanggungjawab Industri, **MeSTI**): A certification scheme introduced by MoH, designed for small and medium enterprises. It provides a framework for food hygiene and operational management, ensuring both food safety and quality. The certification is valid for three years.
 - **Good Manufacturing Practice (GMP)**: A certification scheme that ensures the adoption of proper hygiene practices during production. GMP certification recognises food processing and food service establishments that comply with these practices. The certification is valid for three years, with periodic monitoring audits conducted by MoH.
- **Food Safety System Certification (FSSC) 22000**: An internationally recognised scheme based on ISO 22000 standards, endorsed by the Global Food Safety Initiatives (GSFI). It integrates food safety management systems with sector-specific prerequisite programmes. The certification is valid for three years, with annual surveillance audits and one unannounced audit.
- **Quality Management System ISO 9001:2015**: This globally recognised certification outlines the global quality management standard. The certification is valid for three years, with annual surveillance audits in the first two years and a full recertification audit in the third year.
- **Halal Certificate**: A certification issued by the Department of Islamic Development Malaysia (JAKIM), ensuring compliance with Islamic dietary laws. The Halal certification is valid for two years and is subject to renewal upon re-audit by JAKIM or its appointed body.
- CFH has obtained all the relevant certifications for its food manufacturing premises and operations, including HACCP, MeSTI, GMP, FSSC 22000 and ISO 9001. In addition, all its finished products are Halal-certified by JAKIM.

8. IMR REPORT



4. INDUSTRY PERFORMANCE

- CFH Group manufactures specialty food ingredients and food products, a segment of the broader food manufacturing industry that will be assessed in the following section. Gross domestic product (GDP) measures the gross value added to the output of goods and services in a country or sector during a specified period. Real GDP measures “real” changes in output over time, due to changes in the quantity of goods and services produced, rather than changes in prices due to inflation or deflation. Nominal GDP is the value without any adjustments.



(Source: Department of Statistics Malaysia (DoSM))

- Malaysia's economy has continued stabilising following its post-COVID-19 pandemic rebound, with real GDP growth moderating from 9.0% in 2022 to 3.5% in 2023 before improving to 5.1% in 2024. The recovery momentum persisted in the first half (H1) of 2025, with real GDP expanding by 4.4% compared to the corresponding period in 2024.
- Between 2022 and 2024, the food processing industry recorded consistent real growth, supported by the post-COVID-19 pandemic recovery in economic activity and supply chain normalisation. In 2024, the industry expanded by 4.7% in real terms, reflecting stabilised consumer demand. The industry surged 8.9% in H1 2025 as compared to H1 2024. Similarly, the manufacturing sector which encompasses food processing, also recorded stable real GDP growth in 2024, underlining ongoing industrial output and stability within the broader manufacturing landscape. (Source: Bank Negara Malaysia (BNM)) A growing GDP fuels consumer spending, creating a favourable environment for food manufacturers, including those who manufacture specialty food ingredients and food products.
- The manufacturing sales value of food continued to rise at a moderate pace between 2022 and 2024, recording a CAGR of 2.7% as the industry stabilised following the pandemic-induced volatility. Despite the moderation in 2023, sales remain robust in 2024, driven by the strengthening of domestic-oriented industries and a stronger performance of export-oriented industries. (Source: Ministry of Finance Malaysia (MoF)) Momentum carried into 2025, with H1 sales up 12.7% compared to the same period in 2024, reflecting stronger demand both domestically and in exports. (Source: DoSM)

5. SUPPLY AND DEMAND CONDITIONS

- Given that Asia represents CFH Group's largest export destination, this section provides an overview of the import and export performance for three of CFH Group's main products: non-dairy creamers, functional lipid powders (solid vegetable oil-based mixtures), and malt and cereal products.

5.1 Import and Export Value of Selected Specialty Food Ingredients and Food Products in Malaysia

RM million	Non-Dairy Creamers		Solid Vegetable Oil-Based Mixtures		Malt* and Cereals^	
	Import	Export	Import	Export	Import	Export
2020	184.3	698.0	1.4	207.4	289.3	291.8
2021	167.9	871.8	2.0	292.3	304.0	360.2

8. IMR REPORT

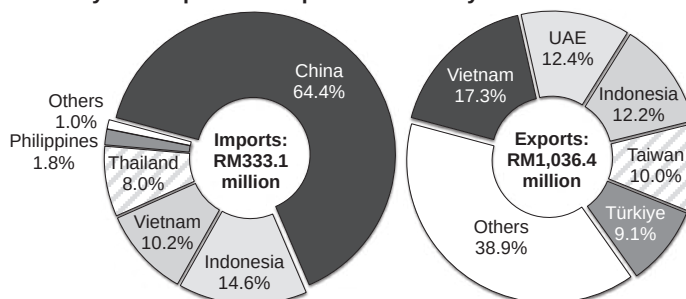


RM million	Non-Dairy Creamers		Solid Vegetable Oil-Based Mixtures		Malt* and Cereals^	
	Import	Export	Import	Export	Import	Export
2022	270.3	1,207.8	13.9	329.9	373.2	428.1
2023	205.9	975.9	23.0	209.5	322.2	418.8
2024	333.1	1,036.4	28.1	365.3	369.3	417.8
2020-24 CAGR	16.0%	10.4%	111.9%	15.2%	6.3%	9.4%
2022-24 CAGR	11.0%	-7.4%	42.1%	5.2%	-0.5%	-1.2%

(Source: DoSM) **Notes:** *Malt includes both roasted and unroasted malt. ^Cereals encompass a range of processed cereal grain products, including corn flakes, oat-based cereals, hulled oats, ground grains and other prepared breakfast cereals.

- In all three categories, Malaysia is a net exporter, consistently exporting more than it imports. This reflects established production capabilities and a mature manufacturing ecosystem. However, the relatively high and growing levels of imports, particularly for non-dairy creamers and solid vegetable oil-based mixtures highlight a notable opportunity for import substitution. Increasing domestic production could help capture a larger share of domestic demand and reduce dependence on imports.
- Imports of non-dairy creamers and solid vegetable oil-based mixtures grew at a CAGR of 11.0% and 42.1% between 2022 and 2024, far outpacing exports. While Malaysia's export volumes remain substantial, the surge in imports suggests robust domestic consumption and potential capacity gaps, presenting opportunities for domestic producers to meet domestic demand. In H1 2025, imports of non-dairy creamers rose by 19.3%, while imports of solid vegetable oil-based mixtures and malt and cereals fell by 70.6% and 13.0%, respectively, compared to H1 2024. Over the same period, exports of non-dairy creamers and malt and cereals declined by 3.5% and 17.8%, respectively, whereas exports of solid vegetable oil-based mixtures increased by 90.9%.

Malaysia's Import and Export of Non-Dairy Creamers in 2024



(Source: DoSM)

5.2 Import and Export Value of Selected Specialty Food Ingredients and Food Products in Asia

USD million	Non-Dairy Creamers		Solid Vegetable Oil-Based Mixtures		Malt* and Cereals^	
	Import	Export	Import	Export	Import	Export
2020	16,975	15,444	1,227	1,394	2,659	1,562
2021	19,342	17,562	2,105	2,424	2,747	1,728
2022	21,045	18,805	3,088	3,042	3,304	1,998
2023	21,470	18,454	2,294	2,566	3,372	2,058
2024	22,514	19,477	2,606	2,788	3,139	2,115
2020-24 CAGR	7.3%	6.0%	20.7%	18.9%	4.2%	7.9%
2022-24 CAGR	3.4%	1.8%	-8.1%	-4.3%	-2.5%	2.9%

(Source: Vital Factor analysis) **Notes:** *Malt includes both roasted and unroasted malt. ^Cereals encompass a range of processed cereal grain products, including corn flakes, oat-based cereals, hulled oats, ground grains and other prepared breakfast cereals.

- Between 2022 and 2024, Asia's trade in selected specialty food ingredients and food products reflected shifting consumption patterns and structural adjustments in regional production and sourcing strategies. For non-dairy creamers, trade flows remained relatively stable, with imports rising at a CAGR of 3.4% and exports growing at 1.8%. This suggests continued consumption momentum across Asia, underpinned by the ingredient's widespread use in instant beverages

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and dairy-replacement applications. In contrast, solid vegetable oil-based mixtures experienced a contraction with imports and exports falling by an average annual rate of 8.1% and 4.3%, respectively. The decline in import demand was largely driven by lower purchases from China and Uzbekistan, which together accounted for approximately half of the overall contraction. On the export side, the decline was concentrated among Malaysia and Türkiye, Kazakhstan and Singapore. Meanwhile, malt and cereal products saw a decrease by an annual average rate of 2.5% in imports, while exports increased by 2.9%.

- China emerged as the largest importer of non-dairy creamers in Asia, accounting for 27.9% of regional imports in 2024. This reflects concentrated demand from the popularity of instant milk teas, powdered coffees and other convenience beverages. Other major importers include South Korea, Hong Kong, the Philippines and Vietnam, reinforcing that East and Southeast Asia remain the most dynamic and volume-intensive markets for non-dairy creamers. China also leads as the top Asia importer of solid vegetable oil-based mixtures. However, its role is less prominent in the malt and cereals category, where import activity is more evenly distributed across other markets. *(Source: Vital Factor analysis)*
- In H1 2025, Asia's imports of non-dairy creamers and malt and cereals declined by 10.3% and 24.6% respectively, compared to H1 2024. Exports of non-dairy creamers expanded by 2.2% while exports of malt and cereals contracted by 1.5%. Both imports and exports of solid vegetable oil-based mixtures grew, rising by 12.0% and 38.7%, respectively.

6. DEMAND DEPENDENCIES

- Macroeconomic indicators such as GDP growth, inflation and household income provide insights into consumer purchasing power, confidence and expenditure patterns. These factors have a cascading effect on the demand for food and beverage (F&B) products, particularly specialty food ingredients and food products, by influencing household consumption. As such, domestic and regional economic conditions form a crucial backdrop for evaluating CFH Group's market outlook.

6.1 Demand Dependencies in Malaysia

6.1.1 Household Income and Consumption Expenditure in Malaysia

- Malaysia's macroeconomic performance directly impacts disposable income levels, which in turn influence consumer demand for F&B products. Economic expansion typically leads to higher employment, improved consumer confidence and greater household spending. As household incomes rise, discretionary expenditure increases, supporting stronger demand for value-added and specialty food ingredients and food products within the wider F&B industry. Between 2016 and 2022, Malaysia's mean monthly household disposable income increased from RM5,928 to RM7,111. While income growth moderated slightly between 2019 and 2022, with a CAGR of 1.7%, it continued to provide a stable base for consumer demand. *(Source: DoSM)*
- Household consumption patterns in Malaysia have shown consistent growth over the past decade, underpinned by rising incomes, urbanisation and lifestyle shifts.

Mean Monthly Household Consumption Expenditure

RM	Bread & Other Cereals	Sugars and Others*	Coffee, Tea, Cocoa and Non-Alcoholic Beverages	F&B at Home	F&B Away from Home	Total
2016	97	26	43	724	514^	4,079
2019	108	27	48	780	601^	4,609
2022	74	27	43	841	790^^	5,150
2016-22 CAGR	-4.5%	0.5%	-0.1%	2.5%	7.4%	4.0%
2019-22 CAGR	-11.9%	-0.1%	-3.5%	2.6%	9.5%	3.8%

*(Source: DoSM) Notes: Based on surveys done in the respective years. Latest available data. * "Sugars and Others" refers to sugar, jam, honey, chocolate and confectionery. ^ Data for 2016 and 2019 is for restaurants and cafes only. ^^ Data for 2022 includes restaurants, cafes, cafeterias and others.*

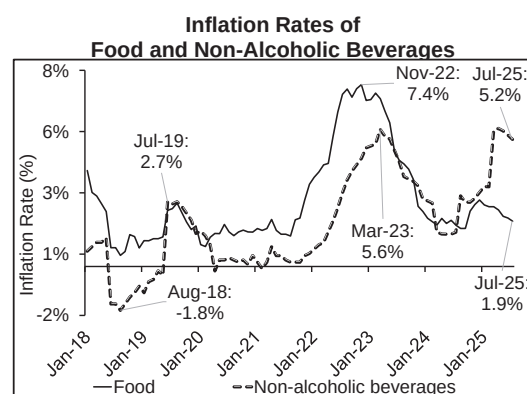
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- Specialty food ingredients are used in food products consumed both at home and away from home. Between 2019 and 2022, household expenditure on the combined food at home and food away from home rose at a 5.7% CAGR, outpacing the overall household consumption growth. Food at home spending increased at a CAGR of 2.6%, while food away from home spending expanded at a significantly faster 9.5% CAGR. This broad-based growth across both channels reflects changing consumption habits and higher discretionary spending. As specialty food ingredients underpin the formulation, functionality and sensory appeal of a wide range of food products, demand is expected to rise in line with this upward shift in food consumption.

6.1.2 Inflation in Malaysia

- The inflation rate, indicated by the consumer price index (CPI), reflects changes in the prices of goods and services. Rising inflation reduces purchasing power and consumer confidence, leading to lower spending. On the other hand, deflation may not boost spending, as consumers might delay purchases in anticipation of further price drops. Between 2022 and 2024, the CPI for food and non-alcoholic beverages rose at a CAGR of 3.4% and 3.3%, respectively, outpacing the overall CPI CAGR of 2.2%. These price increases were primarily driven by the Russia-Ukraine conflict and Malaysia's normalisation in early 2022 after the COVID-19 pandemic. Prices began to decline in early 2023, mainly due to lower global commodity prices and improvements in global supply chain conditions. (Source: BNM, Vital Factor analysis)



6.1.3 Manufacturing Sales Value of Selected Food Categories in Malaysia

RM (million)	Food (Excluding Beverages)	Dairy Products	Bakery Products	Cocoa, Chocolate and Confectionery	Sauces and Condiments	Other Food Products*
2020	239,437	10,056	16,158	13,738	1,901	11,028
2021	270,349	10,805	16,951	15,989	2,187	12,626
2022	304,095	12,117	18,599	17,496	2,267	14,852
2023	292,444	12,107	21,173	17,397	2,437	16,129
2024	319,765	11,884	23,788	20,274	2,763	17,174
2020-24 CAGR	7.5%	4.3%	10.2%	10.2%	9.8%	11.7%
2022-24 CAGR	2.5%	-1.0%	13.1%	7.6%	10.4%	7.5%

(Source: DoSM) **Note:** * "Other Food Products" include noodles and similar products, prepared meals and dishes, coffee, tea and spices, as well as perishable and specialty food products.

- Between 2022 and 2024, manufacturing sales value across selected food categories, all of which commonly incorporate specialty food ingredients that CFH Group primarily manufactures, grew faster than the broader food manufacturing sector (excluding beverages). This momentum carried into H1 2025, with selected food categories rising 14.4% over H1 2024, while the broader food manufacturing (excluding beverages) expanded by 12.9%. As these food products typically require specialty food ingredients for their functional, sensory, and preservation properties, the higher growth of the selected food categories underscores rising demand for value-added formulations and the importance of specialty food ingredients in food manufacturing.

6.2 Demand Dependencies in Asia

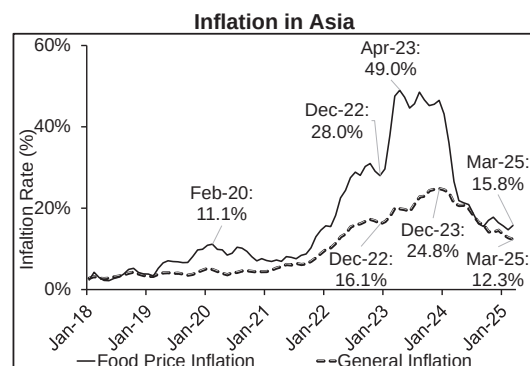
- Economic conditions in Asia, being CFH Group's largest export region, have experienced steady economic growth over the past three years, providing a supportive backdrop for regional food and beverage consumption. Real GDP in the region grew by 3.9% in 2022, followed by a

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further expansion of 5.0% in 2023 and 4.6% in 2024. This consistent growth reflects ongoing recovery and stabilisation following earlier pandemic-related disruptions. (Source: Vital Factor analysis)

- Food price inflation in Asia remained elevated but eased, falling from a peak of 49.0% in April 2023 to 15.8% by March 2025. General inflation followed a similar pattern, albeit less extreme, falling from 24.8% in December 2023 to 12.3% by March 2025. While high price levels may have temporarily affected consumer purchasing power, the downward trend in inflation suggests an improving economic activity in the region.



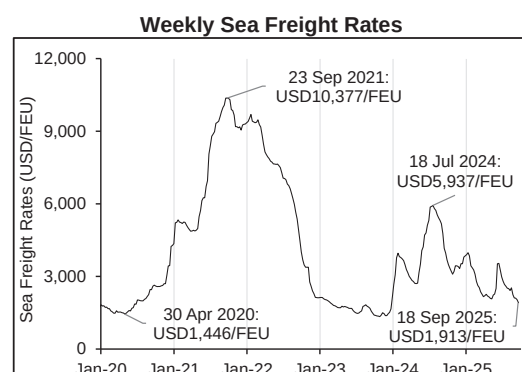
(Source: Food and Agriculture Organisation (FAO))
Note: Based on the latest available data.

- Asia's manufacturing sector, which includes F&B manufacturing, rebounded in 2021 as economies reopened post-COVID-19 pandemic, peaking at USD8,447 billion in value added. However, this declined to USD8,361 billion in 2022 and USD8,225 billion in 2023, reflecting an overall contraction at an annual rate of 1.3% between 2021 and 2023. (Source: FAO)

7. SUPPLY DEPENDENCIES

7.1 Sea Freight Rates

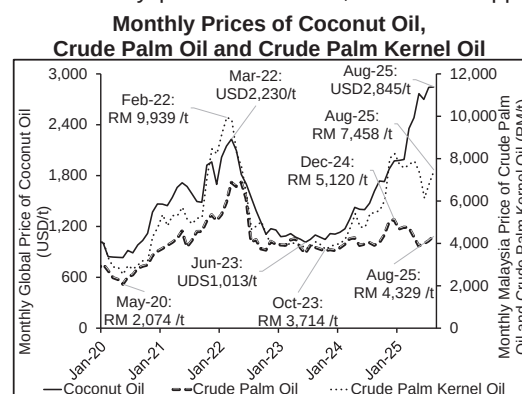
- CFH Group's import and export operations may be affected by fluctuations in global sea freight rates. On 18 September 2025, the weekly sea freight rate for 40-foot equivalent unit (FEU) containers was USD1,913/FEU, down 67.8% from its recent peak of USD 5,937/FEU on 18 July 2024 following the resolution of the Red Sea Crisis and the easing of conflicts in the Middle East (Source: Vital Factor analysis).



(Source: Vital Factor analysis) **Notes:** Data range from 1 January 2020 to 18 September 2025. FEU = 40-foot equivalent unit.

7.2 Price of Key Input Materials

- CFH Group relies on several core commodity inputs, including palm oil, palm kernel oil, coconut oil, acid casein, and glucose syrup, to manufacture its specialty food ingredients and food products. These inputs are subject to global commodity price fluctuations, seasonal supply factors, and international trade conditions.
- Among these, palm oil, palm kernel oil and coconut oil are essential inputs in non-dairy creamers and functional lipid powders. Crude palm kernel oil (CPKO) generally tracks crude palm oil (CPO) price trends but often moves with a greater magnitude due to tighter supply. In 2024, CPKO was up 40.5% while CPO was up 9.7%. The rise in CPKO prices was partly driven by the increase in coconut oil prices during the same period. Since CPKO is commonly used as a substitute for coconut oil, this has led to higher demand for CPKO. The average price



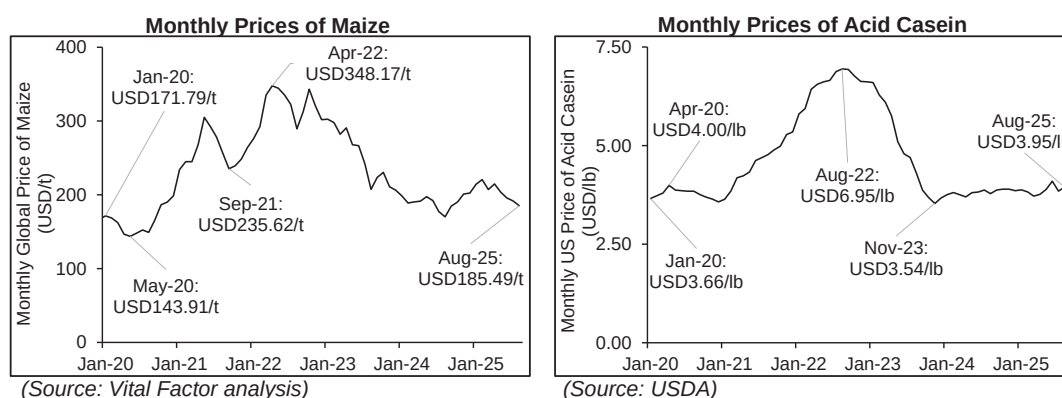
(Source: Malaysia Palm Oil Board (MPOB), Vital Factor analysis)

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of CPO and CPKO in the H1 2025 rose by 9.5% and 58.8%, respectively, compared to the same period in 2024. The price increase was primarily driven by higher prices for competing edible oils like soybean and sunflower oil, and reduced supply from Indonesia due to increased domestic use of palm oil for biodiesel production. (Source: KDK, MPOC, Vital Factor analysis)

- Coconut oil prices were volatile, falling to USD1,013 per tonne (/t) in June 2023 before surging to USD2,845/t in August 2025, an increase of 180.9%, driven by global supply-demand imbalances and adverse weather conditions in key producing countries. Higher cocoa bean prices also prompted food manufacturers to reformulate their products by using coconut oil as a substitute for cocoa butter, further pushing up demand and prices for coconut oil.



- Glucose syrup, a common food ingredient sweetener, is typically made from maize. The price of maize, like any commodity, is subject to significant fluctuations. From a peak of USD348.17/t in April 2022, maize prices fell to USD185.49/t in August 2025. The price surge in 2022 was primarily attributed to the Russia-Ukraine war. While prices have since eased, they continue to be volatile. (Source: Vital Factor analysis) Acid casein prices, widely used in specialty food ingredient formulations, have followed a similar trajectory. They rose from USD3.66/lb in January 2020 to a peak of USD6.95/lb in August 2022. This surge was due to supply shortages in both New Zealand and Europe, compounded by rising global input costs. Since late 2023, prices have fallen and stabilised at USD3.95/lb in August 2025. (Source: USDA, FAO)

8. COMPETITIVE LANDSCAPE

- The companies listed below are selected for financial comparison based on their involvement in similar or competing business activities to CFH Group. The selection criteria include manufacturing specialty food ingredients and food products in Malaysia, specifically non-dairy creamers, functional lipid powders, and/or malt and cereal products, with relatively recent financial data. The list is sorted by revenue in descending order and is not exhaustive.

Company	N	F	M	FYE/ FPE ⁽¹⁾	Rev ⁽²⁾ (RM '000)	GP ⁽²⁾ (RM '000)	GP ⁽²⁾ margin	PAT/(LAT) ⁽²⁾ (RM '000)	PAT/(LAT) ⁽²⁾ margin
Nestle (Malaysia) S/B ⁽³⁾	√		√	Dec-24	3,386,675	362,639	10.7%	134,993	4.0%
Kerry Ingredients (M) S/B ⁽⁴⁾	√	√		Dec-24	2,542,288	n.a.	n.a.	58,668	2.3%
CFH Group	√	√	√	Dec-24	394,864	79,621	20.2%	42,068	10.7%
Food Excellence Specialist S/B ⁽⁵⁾	√			Dec-24	331,232	47,348	14.3%	35,371	10.7%
Maestro Swiss Industries S/B ⁽⁶⁾			√	Dec-24	121,959	28,592	23.4%	(3,086)	(2.5%)
DCH Contract Manufacturing S/B ⁽⁷⁾			√	Dec-23	86,548	7,017	8.1%	2,292	2.6%
Eonlipids S/B ⁽⁸⁾	√	√		Dec-24	47,686	6,539	13.7%	1,954	4.1%
Rex Canning Co. S/B ⁽⁹⁾			√	Jun-24	46,529	n.a.	n.a.	(3,876)	(8.3%)
Eramas Ingredients S/B ⁽¹⁰⁾	√	√		Dec-23	29,530	5,049	17.1%	3,737	12.7%
Lipidchem S/B ⁽¹¹⁾		√		Dec-24	25,170	6,605	26.2%	2,205	8.8%
NBC Food Industries S/B ⁽¹²⁾			√	Dec-23	20,412	5,845	28.6%	57	0.3%
In-Comix Food Industries S/B ⁽¹³⁾			√	Dec-24	5,465	622	11.4%	22	0.4%

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Company	N	F	M	FYE/ FPE ⁽¹⁾	Rev ⁽²⁾ (RM '000)	GP ⁽²⁾ (RM '000)	GP ⁽²⁾ margin	PAT/(LAT) ⁽²⁾ (RM '000)	PAT/(LAT) ⁽²⁾ margin
Al Haddad Manufacturing S/B ⁽¹⁴⁾			√	FPE Dec-23	4,526	1,091	24.0%	(1,150)	(25.4%)
Sklev Biotech S/B ⁽¹⁵⁾			√	May-24	2,593	697	26.9%	(219)	(8.4%)

N = Non-Dairy Creamer; F = Functional Lipid Powder; M = Malt and Cereal Products; FYE = Financial Year Ended; FPE = Financial Period Ended; Rev = Revenue; GP = Gross Profit; PAT = Profit after Tax; LAT = Loss after Tax; S/B = Sendirian Berhad; n.a. = data not available. (1) Latest audited financial data from the Companies Commission of Malaysia and CFH Group. (2) It may include other business activities, products or services at the group or company level. (3) Nestle Manufacturing (Malaysia) S/B. Involved in the manufacturing and exporting of ice-cream, powdered milk and drinks, liquid milk and juices, instant coffee and other beverages, instant noodles, culinary products, cereal, yoghurt and related products. A subsidiary of Nestle S.A. listed on SIX Swiss Exchange. (4) Involved in the manufacturing of specialty lipid powders, cheese and dairy powders, snack seasonings, batters and coatings in the food ingredient industry. A subsidiary of Kerry Group plc listed on Euronext Dublin and London Stock Exchange. (5) Involved in the manufacturing of and import and export of food products not elsewhere classified. A subsidiary of Food Empire Holdings Limited listed on the Singapore Exchange Securities Trading Ltd. (6) Involved in the manufacturing and trading of confectionery and malted cocoa beverages. (7) Involved in the contracting for the manufacturing of pharmaceutical products, non-alcoholic beverages and food. A subsidiary of CITIC Limited listed on the Hong Kong Stock Exchange. (8) Involved in the manufacture and trading of edible fat products including non-dairy creamer, sweeteners and bakery mix for food and beverage. A subsidiary of Eonmetall Group Berhad listed on Bursa Malaysia Securities Berhad. (9) Involved in the manufacturing and selling of canned food and drinks, and investment holding. A subsidiary of Rex Industry Berhad listed on Bursa Malaysia Securities Berhad. (10) Involved in the manufacturing of all kinds of food-related powder, ranging from coconut to palm series. (11) Involved in the manufacturing of oleochemical products and trading of candles. (12) Involved in the manufacturing of beverages. (13) Involved in the manufacturing and wholesaling of coffee mix and all kinds of foodstuffs. A subsidiary of Hup Seng Industries Berhad listed on Bursa Malaysia Securities Berhad. (14) Involved in the manufacturing of food and beverage. Based on the financial period of 16 months from 1 September 2022 to 31 December 2023. (15) Involved in the manufacturing of all kinds of beverages.

9. BARRIERS TO ENTRY

- The barriers to entry in the production of non-dairy creamers and functional lipid powders are moderate to high, primarily due to the specialised technical requirements and capital-intensive nature of the manufacturing processes involved. A key barrier lies in the need for advanced processing techniques such as spray drying and microencapsulation, which are crucial to achieving the functional and sensory attributes required by end users. These technologies demand substantial capital investment, while production requires specialised production expertise and process controls to ensure consistent quality at scale. The ability to tailor product formulation and characteristics to precise customer specifications further raises the technical requirements for new entrants. Other barriers to entry include regulatory compliance and certifications such as HACCP, MeSTI and GMP. While standard across the food ingredients industry, these require operational discipline and robust quality systems to maintain.

10. INDUSTRY SIZE AND SHARE

- The export size of the specialty food ingredient and food product industry in Malaysia to Asia and CFH Group's corresponding export market share are estimated as below:

2024 - Malaysia	Export Size ^(a)	CFH Group	
		Export Revenue ^{(b) (1)}	Market Share ⁽²⁾
Total exports			
Non-Dairy Creamers	RM1,036 million	RM120 million	12%
Solid Vegetable Oil-Based Mixtures	RM365 million	RM65 million	18%
Malt and Cereal Products	RM418 million	RM16 million	4%
Exports to Asia			
Non-Dairy Creamers	RM568 million	RM107 million	19%
Solid Vegetable Oil-Based Mixtures	RM222 million	RM34 million	15%
Malt and Cereal Products	RM580 million	RM15 million	3%

Sources: (a) DoSM; (b) CFH Group. (1) CFH Group's export revenue for the financial year ended 31 December 2024. (2) ((b) divided by (a)) x 100%.

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11. INDUSTRY OUTLOOK AND PROSPECTS

- The industry outlook and prospects for Malaysia's specialty food ingredient and food product industry is underpinned by macroeconomic conditions, structural advantages, and sector-specific drivers, fostering opportunities for domestic and export-oriented manufacturers.

11.1 Drivers of Growth and Opportunities

- Malaysia's economy** is projected to grow by **4.0% to 4.8%** in 2025, driven by strong domestic demand. Household spending will be supported by factors such as employment and income growth, salary increases under the Public Service Remuneration System, higher minimum wages, and targeted cash transfers. Initiatives under the 13th Malaysia Plan, such as raising average monthly household income to RM12,000 by 2030, expanding social safety nets, and creating over 1.2 million jobs in manufacturing and the digital economy, aim to ease cost-of-living pressures and sustain private consumption. (*Source: BNM, Ministry of Economy*)
- The manufacturing sector is expected to grow by 3.9% in 2025, driven by expansion in electrical and electronics (E&E) and consumer industries like food manufacturing. This aligns with the New Industrial Master Plan 2030 (NIMP 2030), which focuses on high-value, innovation-driven manufacturing. Inflation is projected to remain manageable, supported by lower global commodity prices and stable domestic demand, helping to control production costs. Strategic trade agreements and modern distribution channels will enhance export opportunities, particularly within the ASEAN and Asia-Pacific regions. (*Sources: Ministry of Investment, Trade and Industry, BNM*)
- Regulatory bans on certain food additives**, such as the European Union's prohibition of titanium dioxide (E171), are reshaping the food ingredient landscape. These developments are driving global manufacturers to seek safer, consumer-friendly alternatives, creating strong opportunities for specialty food manufacturers able to offer clean-label (free from artificial or highly processed ingredients) and regulatory-compliant formulations.
- Malaysia is positioning itself as a global hub for halal production, supported by its established halal certification system and growing international reputation. The halal economy contributes nearly 10% to Malaysia's GDP, spanning sectors like F&B, pharmaceuticals, and Islamic finance. With global demand for halal-certified products rising, driven by a global Muslim population of nearly 2 billion and a projected USD 3 trillion halal food market by 2027, the halal industry is set for significant growth, creating opportunities for manufacturers of halal-compliant specialty food ingredients and food products. (*Source: MIDA*)
- Rapid urbanisation, rising income levels, and evolving consumer lifestyles are contributing to a growing preference for convenient, ready-to-eat/drink, and packaged food products in Malaysia and across the region. These products often rely on specialty food ingredients such as functional lipid powders, including clouding agents and batter stabilisers, to enhance product quality, differentiation, and consumer appeal.

11.2 Threats and Challenges

- The recent imposition of **19% reciprocal tariffs by the US**, effective August 2025, has heightened volatility in global financial and commodity markets, including agriculture, intensifying uncertainty for businesses exposed to international supply chains. For Malaysian food ingredient and food product manufacturers, this may potentially raise import costs, squeeze margins and disrupt production, which ultimately weakens export competitiveness and dampens investor confidence in the broader food industry.
- Evolving consumer preferences** are reshaping the specialty food ingredient and food product industry. Shifts in dietary patterns, sustainability concerns, and lifestyle changes may influence a reduced demand for certain products, such as oil-based non-dairy creamers and ingredients that are excessively processed.

9. RISK FACTORS

YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS (WHICH MAY OCCUR EITHER INDIVIDUALLY OR IN COMBINATION, AT THE SAME TIME OR AROUND THE SAME TIME) THAT MAY HAVE A SIGNIFICANT IMPACT ON THE FUTURE PERFORMANCE OF OUR GROUP BEFORE INVESTING IN OUR SHARES.

9.1 RISKS RELATING TO OUR BUSINESS AND OPERATIONS

9.1.1 We are exposed to the risk of price fluctuations and shortage of input materials

Our business requires us to secure sufficient quantities of input materials in a timely manner and at competitive prices to meet the demands of our customers and manage our production costs. As such, our business operations and financial performance are vulnerable to changes in the prices and supply of our input materials. Our main input materials for our products include palm-based and coconut-based oils and fats, glucose syrup, and acid casein.

For the FYE Under Review, our purchases of palm-based and coconut-based oils and fats, glucose syrup, and acid casein are as follows:

Main input materials	FYE 2022		FYE 2023		FYE 2024	
	RM'000	% ⁽¹⁾	RM'000	% ⁽¹⁾	RM'000	% ⁽¹⁾
Palm-based and coconut-based oils and fats ⁽²⁾	117,974	38.58	73,031	31.88	89,684	34.65
Glucose syrup (mainly made from corn)	77,131	25.23	67,668	29.54	71,577	27.65
Acid casein	47,459	15.52	32,382	14.14	26,654	10.30

Notes:

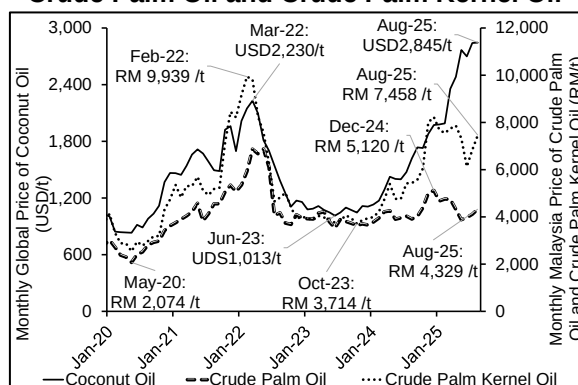
- (1) Total purchases of main input materials divided by total purchases of materials for the respective financial years.
- (2) Include palm-based oils and fats such as palm kernel oil, palm oil, palm olein, MCT oil, and palm stearin, as well as coconut-based oils and fats such as hydrogenated and refined coconut oil, and MCT coconut oil.

As palm oil, coconut oil, corn, and acid casein are globally traded commodities, we are therefore exposed to the risk of price fluctuations, which is mainly driven by market dynamics, weather conditions, and geopolitical factors. If we are unable to pass on any increase in input materials prices to our customers, we would have to absorb the additional costs, which would adversely affect our profit margins and overall financial performance. Conversely, if we were to pass on any of the increase in input materials prices to our customers, we may not be able to remain price-competitive. This could lead to customer attrition or decrease in our sales volume, which would adversely affect our revenue and overall financial performance.

9. RISK FACTORS

According to the IMR Report, crude palm kernel oil (“CPKO”) generally tracks crude palm oil (“CPO”) price trends but often moves with a greater magnitude due to tighter supply. In 2024, CPKO and CPO prices have increased by 40.5% and 9.7% respectively. The rise in CPKO prices was partly driven by the increase in coconut oil prices during the same period, as CPKO is commonly used as a substitute for coconut oil. The average price of CPO and CPKO in the first half of 2025 rose by 9.5% and 58.8% respectively, compared to the same period in 2024. This increase was primarily driven by higher prices for competing edible oils like soybean and sunflower oil, and reduced supply from Indonesia due to increased domestic use of palm oil for biodiesel production.

Monthly Prices of Coconut Oil, Crude Palm Oil and Crude Palm Kernel Oil



(Source: IMR Report)

Meanwhile, coconut oil prices were volatile, falling to USD1,013 per tonne in June 2023 before surging to USD2,845 per tonne in August 2025, representing an increase of 180.9%, driven by global supply-demand imbalances and adverse weather conditions in key producing countries. Higher cocoa bean prices also prompted food manufacturers to reformulate their products by using coconut oil as a substitute for cocoa butter, further pushing up the demand and prices for coconut oil. (Source: IMR Report)

In the first half of 2025, we had experienced an increase in the average purchase price of palm-based and coconut-based oils and fats. Nevertheless, we did not pass the increase in costs to our customers to preserve our market competitiveness.

Further, any disruptions to the supply of our input materials, whether due to adverse weather conditions, geopolitical factors, export restrictions, labour shortages, logistics constraints, or shifts in global demand, could lead to input materials shortages. A prolonged or unexpected shortage of our input materials may result in production delays, increased procurement costs, or an inability to meet customer orders, all of which could adversely affect our business operations and financial performance. There is no assurance that we will be able to secure sufficient quantities of input materials in a timely manner and at competitive prices from our suppliers in the future.

9.1.2 We are exposed to the risk of increase in sea freight rates

We rely on sea freight to deliver products to our foreign customers. In FYE 2024, we served customers across 42 foreign countries. Additionally, we rely on sea freight for the procurement of certain input materials from our foreign suppliers.

As such, we are exposed to potential disruptions in sea freight logistics arising from factors that are beyond our control, including adverse weather conditions, political instability, international trade tensions or trade wars, port strikes, port congestion, and delayed or lost shipments. Any such disruptions could result in delays in the delivery of products to our foreign customers and receipt of materials from our foreign suppliers, which may adversely affect our business operations and financial performance.

For the FYE Under Review, our average sea freight cost per tonne decreased by 56.64% from RM429 per tonne in FYE 2022 to RM186 per tonne in FYE 2023, and subsequently increased by 41.94% to RM264 per tonne in FYE 2024.

9. RISK FACTORS

According to the IMR Report, the weekly sea freight rate for 40-foot equivalent unit ("FEU") containers on 18 September 2025 was USD1,913 per FEU, down by 67.8% from its recent peak of USD5,937 per FEU on 18 July 2024 following the resolution of the Red Sea Crisis and the easing of conflicts in the Middle East. *(Source: IMR report)*

There can be no assurance that we will not be adversely affected by the increase in sea freight rates and other supply chain disruptions that may adversely affect our business operations and financial performance.

9.1.3 We are dependent on our certifications and major licences, permits and approvals from relevant government authorities and regulatory agencies

We are required to obtain and hold valid certifications, licences, permits, and approvals granted by various government authorities and regulatory agencies as they are essential for the conduct and continuity of our business. Please refer to Section 7.2 and Annexure A of this Prospectus for further details of our certifications and major licences, permits, and approvals.

Our certifications, licences, permits, and approvals may be suspended, withdrawn or terminated if we fail to comply with the applicable requirements or any required conditions. Some of these certifications, licences, permits, and approvals need to be renewed on a periodic basis or reassessed by the relevant government authorities and regulatory agencies. Failure in obtaining, keeping or renewing the requisite certifications, licences, permits, and approvals may result in the suspension or restriction of our operations and in turn, will adversely affect our business operations and financial performance.

Our Group has experienced incidents of non-compliances relating to licences, permits and approvals as detailed in Section 7.26 of this Prospectus. As at the LPD, our Group has not received any notices, penalties or compounds from the relevant authorities for the incidents of non-compliances. Nevertheless, there can be no assurance that we will not be subject to enforcement actions by the relevant authorities in the future, including cessation or monetary penalties.

In addition, we are also subject to various laws and regulations governing our business operations. Please refer to Section 7.25 of this Prospectus for details of the applicable laws and regulations governing our Group. If we are found to be in breach of any regulatory requirements by the relevant authorities, we may be subject to fines, enforcement actions, operational restrictions or criminal proceedings against us. Any such actions may have a material adverse effect on our business operations and financial performance.

9.1.4 We are subject to laws and regulations relating to occupational safety and health administration and environment

Our business operations are bound by occupational safety and health administration and environment as set out below:

(i) Workplace health and safety hazards

If our employees and contract workers are harmed or injured as they perform their jobs or if we fail to comply with or breach any of the relevant health and safety regulations, our business operations may be suspended or disrupted, and our financial performance may be affected.

For the FYE Under Review and from 1 January 2025 up to the LPD, there have been a total of three incidents of injury involving our production workers at our Kulim Factory and SJ Factory, all of which have been reported to the DOSH. There were no material injury or harm to our production workers as they were able to continue working without any disruptions to our operations. Nevertheless, there can be no assurance that injury or harm to our employees will not occur in the future.

9. RISK FACTORS

In July 2024, we have been imposed with a penalty of RM5,000 pursuant to Section 52A of the Factories and Machinery Act 1967 for failure to appoint a competent person to monitor the operations of our steam boilers in our Kulim Factory. The penalty has been paid and settled on 6 August 2024, and we have appointed the relevant competent persons to monitor the operations of our steam boilers in our Kulim Factory.

Further, in January 2025, we had received a notice of prohibition from DOSH in respect of the operation of one unit of our air receiver machine located at our Kulim Factory without a valid certificate of fitness. We have since obtained a valid certificate of fitness for the air receiver machine, and DOSH has confirmed that the notice has been cancelled.

Additionally, we have also made improvements to our operations following the receipt of five notices of improvement from DOSH in January 2025. The notices of improvement were relating to workplace safety matters, including monitoring of hazardous chemicals exposure, identification of ergonomics issues at workplace, and assessment of noise exposure.

The above notices and penalty did not materially impact our business operations and financial performance. Nevertheless, there can be no assurance that we will not be subject to any similar notices, fines, penalties, claims or regulatory inspections in the future, any of which may have a material adverse effect on our business operations and financial performance.

(ii) Environmental safety

In the course of our manufacturing operations, waste would be generated, some of which requires specialised disposal. As such, we are subject to relevant environmental laws, regulations, and standards, and are required to implement appropriate measures to manage and dispose of wastewater, scheduled wastes, and other environmentally sensitive materials. Non-compliance with applicable environmental laws, regulations, and standards may subject us to, amongst others, various enforcement actions from relevant regulatory authorities, including official warnings, fines, criminal liability, suspension of permits, or even forced cessation of operations, depending on the nature and severity of the violation.

In February 2025, we have been imposed with a penalty of RM4,000 for failure to (i) inform the Department of Environment within six hours from the occurrence of any spill, accidental discharge or leakage of any industrial effluent or mixed effluent; and (ii) maintain records of the manufacturing processes, operation, maintenance and performance monitoring of the industrial effluent treatment system. The penalty imposed has been settled as at the LPD, without any material impact to our business operations and financial performance. Nevertheless, there can be no assurance that we will not be subject to other notices, fines, penalties, claims or regulatory inspections in the future for any failure to comply with relevant environmental laws, regulations and standards, any of which may have a material adverse effect on our business operations and financial performance.

9. RISK FACTORS

9.1.5 We are exposed to the risk of unfavourable foreign currency exchange rates

Our business is exposed to fluctuations in foreign currency exchange rates as a certain proportion of our revenue and purchases are transacted in foreign currencies, mainly in USD and EUR. Any adverse fluctuations in exchange rates between RM and foreign currencies would adversely affect our financial performance.

Our revenue transacted in foreign currencies collectively accounted for 53.83%, 57.13%, and 51.12% of our total revenue for FYE 2022, FYE 2023, and FYE 2024 respectively. The breakdown of our revenue transacted in RM and foreign currencies for the FYE Under Review is summarised in the following table:

Revenue currency	by	FYE 2022		FYE 2023		FYE 2024	
		RM'000	%	RM'000	%	RM'000	%
RM		189,722	46.17	157,348	42.87	193,004	48.88
USD		208,420	50.73	198,175	53.99	186,521	47.24
EUR		9,548	2.32	6,964	1.90	9,611	2.43
Others ⁽¹⁾		3,191	0.78	4,591	1.24	5,728	1.45
Total		410,881	100.00	367,078	100.00	394,864	100.00

Note:

(1) Others comprise SGD, AUD and RMB.

Meanwhile, our purchases of materials transacted in foreign currencies collectively accounted for 21.05%, 28.85%, and 26.89% of our total purchases of materials for FYE 2022, FYE 2023, and FYE 2024 respectively. The breakdown of our purchases transacted in RM and foreign currencies for the FYE Under Review is summarised in the following table:

Purchases currency	by	FYE 2022		FYE 2023		FYE 2024	
		RM'000	%	RM'000	%	RM'000	%
RM		241,417	78.95	162,978	71.15	189,228	73.11
USD		34,012	11.12	37,471	16.36	50,709	19.59
EUR		29,526	9.66	28,421	12.41	18,571	7.18
Others ⁽¹⁾		830	0.27	190	0.08	320	0.12
Total		305,785	100.00	229,060	100.00	258,828	100.00

Note:

(1) Others comprise GBP, THB, RMB and AUD.

A depreciation of the RM against the foreign currencies we transact will lead to higher purchase costs and higher revenue in RM after conversion. Conversely, an appreciation of the RM against the foreign currencies we transact will lead to lower purchase costs and lower revenue in RM after conversion.

9. RISK FACTORS

We do not have a hedging policy. As at the LPD, we have foreign currency hedging facilities to manage our exposure to fluctuations in foreign currencies. In addition, we have cross-currency profit rate swaps executed in conjunction with certain bankers' acceptances, which allow our Group to receive proceeds and settle these bankers' acceptances in RM. Further, we also maintain bank accounts in RM, USD, EUR, SGD, RMB and AUD, such that collections can be used to settle payments in the same currency where possible. To a certain extent, this provides a natural hedge against any fluctuations in foreign currency exchange rates.

For the FYE 2022 and FYE 2023, we recorded net foreign exchange gain of RM1.69 million and RM1.23 million respectively. In FYE 2024, we recorded a net foreign exchange loss of RM0.94 million. The net foreign exchange loss in FYE 2024 did not have a material adverse impact to our financial performance. Nevertheless, there can be no assurance that future exchange rate fluctuations would not have any material adverse impact to our financial performance.

9.1.6 We are exposed to the risk of changing consumer preferences and shifts in market demands

Our business is subject to the risk of changing consumer preferences and shifts in market demands, particularly for our non-dairy creamer range of products. Evolving dietary trends, growing health consciousness, nutritional guideline changes, and increased food ingredients awareness may influence consumer choices and purchasing behaviour.

For example, increasing global scrutiny over the environmental and health impacts of palm oil have led to growing consumer and regulatory pressure in specific markets to reduce or eliminate palm oil products. As some of our non-dairy creamers and functional lipid powders formulations incorporate palm-based oils and fats, negative sentiments or reduced acceptance of palm oil products, whether due to sustainability concerns, dietary preferences, or labelling requirements, may affect the demand for our products in affected markets.

The European Union and the Gulf Cooperation Council have banned the use of titanium dioxide as a food additive in 2022 and 2023 respectively, citing potential health concerns. As such, there can be no assurance that the increasing global scrutiny over the environmental and health impacts of palm oil will not result in a ban on palm oil products in certain markets in the future.

Further, changing consumer behaviour driven by the demand for clean label, plant-based, low-fat or allergen-free foods may reduce the interest in certain of our product formulations. Similarly, shifts in lifestyle or preferences could impact the demand for our products.

There is no assurance that our current or future products will continue to meet market expectations or be able to retain product competitiveness in the market. A sustained decline in the demand for any of our products or a shift away from certain key ingredients could adversely affect our business operations and financial performance.

9.1.7 We are exposed to the risk of product liabilities and product recalls

Being a manufacturer of specialty food ingredients and food products, including as a contract manufacturer for third-party brands, we are exposed to product liability claims arising from, amongst others, manufacturing defects, inadequate labelling, warnings or instructions, product contamination and deterioration, unintended use of unsafe ingredients, sabotage, or mislabelling. Claims from affected individuals may lead to legal action, potentially resulting in financial losses and negative publicity. In addition, as a contract manufacturer, we face the risk of being held liable for products sold under our customers' names or brands.

9. RISK FACTORS

Further, heightened regulatory scrutiny on product safety, growing consumer awareness, and the increasing influence of social media have amplified our exposure to the risk of product recalls. If any of our input materials, packaging materials, or finished products are found to be contaminated, tampered with, damaged or out of specification at any point during their shelf life, we may be required to dispose of, recall, and/or replace the affected batches. Such actions could lead to financial losses due to inventory destruction, costs incurred associated with conducting product recalls, and loss of sales resulting from product unavailability. In addition, a product recall regardless of its basis could significantly harm our Group's reputation.

For the FYE Under Review and from 1 January 2025 up to the LPD, we have not experienced any product liability claims and product recalls for our products.

9.1.8 We are subject to the availability of labour for our manufacturing operations and increasing labour costs

Our manufacturing operations require labour. We are subject to the risks relating to the availability and the costs of employing labour, who comprise both local and foreign workers. As at the LPD, we employed 178 workers for our production and warehouse functions, of which 49.44% are Malaysians and 50.56% are foreigners.

Any substantial shortage or high turnover of our workers may lead to disruptions in our manufacturing operations, delays in fulfilling customer orders, reduced plant efficiency, and increased overtime costs. Further, we are subject to government policies and regulatory requirements on the employment of foreign workers, including quotas, levies, recruitment approvals, and work permit renewals. Any tightening of labour policies, delays in foreign workers intake, or changes to regulatory requirements may constrain our ability to maintain optimal workforce levels.

For the FYE Under Review and from 1 January 2025 up to the LPD, we have not encountered any issues relating to the hiring of our workers, including foreign workers, that have adversely affected our Group's business operations and financial performance. There is no assurance that our business operations and financial performance will not be affected by future challenges in attracting, hiring, or retaining sufficient labour.

Further, there is no assurance that we are able to mitigate the risks of increasing labour costs. The national minimum wage was revised to RM1,500 with effect from 1 May 2022, and subsequently increased to RM1,700 with effect from 1 February 2025. Any further increase in minimum wage in the future will increase our labour costs, which would adversely affect our financial performance.

9.1.9 We are exposed to operational risks including machinery breakdown, utility disruptions, IT systems failures, and cybersecurity breaches

Our machinery and equipment are essential to ensuring the efficiency of our manufacturing operations. However, these assets may occasionally be taken out of service due to unforeseen failures or damage sustained during normal operations. If there is a breakdown, our manufacturing operations may be disrupted, resulting in production downtime and delays in product delivery to our customers. We may also incur additional costs for repairs or replacements, and may not always be able to resolve such issues or secure replacement equipment in a timely manner. In April 2023, we encountered a fire damage to our Spray Dryer Plant 1 and its related accessories, fixtures, and fittings, which caused it to be inoperable for a month. This incident did not materially impact our business operations and financial performance, as we were able to, amongst others, utilise our Spray Dryer Plant 2 to fulfil customer orders. Nevertheless, there is no assurance that we are able to prevent any breakdown of our machinery and equipment in the future.

9. RISK FACTORS

Our manufacturing operations rely on a continuous supply of water and electricity. Our manufacturing facilities were equipped with storage tanks for potable water, which can support the operation of one dryer for up to one day if there is a water supply disruption. For the FYE Under Review and from 1 January 2025 up to the LPD, we experienced both scheduled and unscheduled disruptions to water and electricity supply. In these instances, some products under processing were rendered off-specification and had to be reprocessed, resulting in additional production costs. Further, in FYE 2023, we encountered several incidents of water supply disruptions which affected our overall operational efficiency. Notwithstanding this, our operational efficiency improved in FYE 2024 and from 1 January 2025 up to the LPD, and these past incidents did not have a material impact on our business operations and financial performance. Nevertheless, there can be no assurance that any prolonged disruption to the supply of water or electricity in the future will not materially affect our business operations and financial performance.

Our business operations also depend on our IT systems, including our servers that connect our head office and manufacturing facilities. In this respect, we are exposed to risks such as security breaches, system malfunctions, unavailability of third-party services, and intentional or accidental damage to our IT systems. These risks include cyber threats such as ransomware attacks, which may compromise system availability and disrupt our business operations. In May 2025, we experienced a ransomware attack that temporarily prevented access to our servers at both our SJ Factory and Kulim Factory, which hosted our accounting system. We successfully gained access to our servers within three days, and there was no material impact to our business operations and financial performance.

9.1.10 We may not be able to realise the anticipated benefits of our future plans

Our business strategies and future plans are focused on the expansion of our operational facilities, investment in IT and automation systems, and expansion of our product range. Our implementation of these business strategies and future plans is subjected to (i) significant capital expenditure that includes the purchase of a suitable piece of land for our New Factory, as well as machinery and equipment, and setup costs (including construction and renovation costs); (ii) availability of human resources and experience; and (iii) changes to regulatory requirements and conditions. Please refer to Section 7.19 of this Prospectus for further details on our business strategies and future plans.

There can be no assurance that we can successfully execute our business strategies and future plans, and be able to anticipate all associated risks and uncertainties. Hence, our prospect and future business growth are dependent on our ability to implement and execute our business strategies and future plans effectively and promptly. Any failure in executing our business strategies and future plans may have a material and adverse impact on our business operations and future financial performance.

9.1.11 We are exposed to the risk of inventory write-downs and write-offs

We are exposed to the risk of inventory write-downs and write-offs due to the perishable nature of our input materials and finished goods as well as the compliance to strict quality and safety standards. Factors such as spoilage, contamination, changes in customer demand, overproduction, or regulatory non-compliance may result in certain inventory items becoming obsolete.

Inventory write-downs occur when the net realisable value of inventory falls below its cost, while write-offs are recognised when inventory is deemed no longer usable or saleable. Both circumstances may result in unexpected losses that impact our profitability. In particular, excess or slow-moving inventory poses a financial risk if not effectively monitored or managed.

9. RISK FACTORS

Our inventories written down were RM0.82 million and RM1.23 million for the FYE 2023 and FYE 2024 respectively, while our inventories written off were RM0.86 million, RM0.73 million, and RM0.37 million for the FYE 2022, FYE 2023, and FYE 2024 respectively. These inventories were written down and/or written off mainly due to obsolescence, slow-moving, damage, or expiry of our inventory items. There is no assurance that all losses from inventory deterioration or obsolescence can be avoided. Significant or recurring write-downs or write-offs may adversely affect our financial performance.

9.1.12 We are dependent on our Managing Director and Key Senior Management for our business continuity

Our Managing Director, namely Dato' Saw, has been instrumental in the growth and performance of our Group. He is responsible for spearheading and overseeing the overall direction of our Group. He is supported by our Key Senior Management, who possess the relevant knowledge in their respective fields of work to ensure the smooth operations of our Group. Please refer to Sections 5.1.2 and 5.4.3 of this Prospectus for the profiles of our Managing Director and other Key Senior Management respectively.

There can be no assurance that we will be successful in retaining our Managing Director and/or Key Senior Management or ensuring a smooth succession if any changes occur. Any loss of our Managing Director and/or any of our Key Senior Management without any suitable and prompt replacement, may adversely impact our Group's business operations and financial performance.

9.1.13 We are exposed to the risk relating to product formulations, brands, and proprietary know-how

Our product formulations are critical to our competitive strengths but are vulnerable to unauthorised copying, imitation, or reverse engineering by our competitors or third parties. There is also a risk that third parties may copy or misrepresent our brands by selling products under our names and trademarks. Such actions could mislead customers, harm our reputation, and result in loss of sales and market share. While we have not experienced any such instances to date, there is no assurance that it will not happen in the future.

In addition, while we develop our products using in-house expertise, research, and industry knowledge to meet customer requirements, there is a risk that our products may inadvertently infringe upon third-party rights, such as product formulations, patents, trade secrets, trademarks, or copyrights. As at the LPD, we have not been subject to any claims, proceedings, or incidents relating to infringement of third-party rights. However, if such events were to occur, we could be exposed to legal actions, settlement obligations, or restrictions on our ability to develop, manufacture, or sell certain of our products. These consequences could adversely affect our business operations and financial performance.

9.1.14 We are exposed to the risk of inadequate insurance coverage

We have in place insurance policies that cover, amongst others, fire, consequential loss, product liability, public liability, marine, and burglary. These policies are subject to various exclusions, coverage limitations, and liability caps concerning the insured events and amounts. There can be no assurance that our insurance coverage will be sufficient to fully cover any losses or damages that may arise during our business operations.

Our insurance policies are subject to periodic renewal, which may involve changes in premiums, coverage terms, and policy limits. If there is a significant increase in our insurance premiums, we may incur higher costs to renew our insurance policies. Further, there is no guarantee that such insurance policies will remain available to us in the future on commercially acceptable terms or at reasonable costs.

9. RISK FACTORS

During the FYE Under Review and from 1 January 2025 up to the LPD, we received insurance claims mainly relating to the impact damage caused by the collapse of the racking system at our Kulim Factory amounting to RM0.72 million, and a fire incident involving our Spray Dryer Plant 1 amounting to RM0.64 million. Notwithstanding this, there can be no assurance that we will be able to successfully claim the amount of losses suffered or receive the full amount of our claim from the insurer, or that our existing insurance policies will be sufficient to cover all of our potential losses or risk associated with our business operations.

9.2 RISKS RELATING TO THE INDUSTRY IN WHICH WE OPERATE

9.2.1 We are subject to the demand and performance of user industries

Our business is dependent on the demand and performance of various user industries of our specialty food ingredients and food products, including confectionery and bakery producers, beverage manufacturers, nutritional product manufacturers, foodservice operators, and other food-related sectors. Therefore, the demand for our products is closely tied to the production output, innovation cycles, and consumer sales trends within these user industries.

A slowdown, disruption, or structural shift in any of these user industries may directly affect the demand for our products. This includes factors such as changes in consumer preferences, economic downturn, regulatory restrictions, or supply chain disruptions.

In addition, user industries may shift to alternative specialty food ingredients and food products, or reformulate their products in response to cost pressures, evolving nutritional requirements, or environmental concerns. These changes may reduce the reliance on our existing product offerings and require us to invest in new formulations or applications to maintain relevance in the supply chain.

We have limited control over our customers' business cycles, strategic decisions or innovation priorities. As such, any sustained weaknesses or contractions in the industries we serve may adversely affect our business operations and financial performance.

9.2.2 We are subject to competition from other specialty food ingredients and food products manufacturers

We face competition from other specialty food ingredients and food products manufacturers that are based in Malaysia and foreign countries. In addition to the established industry players, we may also face competition from new entrants seeking to establish themselves in our industry from time to time.

The barriers to entry in the production of non-dairy creamers and functional lipid powders are moderate to high, primarily due to the specialised technical requirements and capital-intensive nature of the manufacturing processes involved. A key barrier lies in the need for advanced processing techniques such as spray drying and microencapsulation, which are crucial to achieving the functional and sensory attributes required by end users. These technologies demand substantial capital investment, while production requires specialised production expertise and process controls to ensure consistent quality at scale. The ability to tailor product formulation and characteristics to precise customer specifications further raises the technical requirements for new entrants. Other barriers to entry include regulatory compliance and certifications such as HACCP, MeSTI and GMP. While these certifications are standard across the food industry, it requires operational discipline and robust quality systems to maintain these certifications. (Source: IMR Report)

9. RISK FACTORS

We generally compete based on a variety of factors including, amongst others, price competitiveness, financial strength (particularly in terms of working capital to ensure that our products are available for delivery to customers), capacity and willingness to invest in machinery and equipment, sufficient production capacity, availability of skilled personnel, product and service quality, responsiveness to customer requirements, promptness and reliability in delivery, proven track record, and our market reputation.

There can be no assurance that we will continue to remain competitive against existing and prospective competitors. Consequently, there can be no assurance that our existing customers will continue to issue purchase orders to us in the future. Failure to remain competitive, adapt quickly to changing market conditions and trends, or ability to secure purchase orders from existing or new customers may adversely affect our business operations and financial performance.

9.2.3 We are subject to adverse economic, social, political and regulatory risks

Any adverse changes in the economic, social, political and regulatory conditions in Malaysia and the Netherlands may negatively impact our business operations and financial performance.

Changes in the economic, social, political and regulatory conditions could arise from, amongst others, changes in political leadership, geopolitical events, economic cycles, fluctuations in interest rates and tariffs, terrorism, wars, sanctions, pandemics, expropriation or nationalisation, changes in fiscal and monetary policies (including taxation, inflation, and exchange controls), unemployment trends, and other matters that could affect consumer and business confidence.

In July 2025, the United States of America (“USA”) government had imposed a 19% tariff on most imported goods from Malaysia, effective from 8 August 2025. As our export sales to the USA constituted less than 1.00% of our total revenue for the FYE Under Review, the import tariff is not expected to have a direct material adverse impact on our business operations and financial performance. Nevertheless, there can be no assurance that we will not be indirectly affected by the import tariff, as our competitors which were directly impacted by the import tariff may divert their efforts towards our customers, which could adversely impact our market competitiveness.

Further, some of our existing customers, as well as addressable customers, are dependent on the global demand for their products. As such, our business prospects are also directly or indirectly affected by global events such as geopolitical events, financial crises, trade conflicts and sanctions. This may cause our existing and addressable customers to defer, reduce, or terminate purchase orders. As such, there can be no assurance that any adverse changes in the economic, social, political, and regulatory conditions that are beyond our control will not materially affect our business operations and financial performance in the future.

9.3 RISKS RELATING TO INVESTMENT IN OUR SHARES

9.3.1 There has been no prior market for our Shares and it is uncertain whether an active market will ever develop

Prior to our Listing, there has been no public market for our Shares. Hence, there is no assurance that upon Listing, an active market for our Shares will develop, or if developed, whether such market can be sustained.

There can be no assurance that our Final Retail Price will correspond to the price at which our Shares will trade on the Main Market upon our Listing and that the market price of our Shares will not decline below our Final Retail Price. A number of factors could cause our Share price to fluctuate, including but not limited to, the depth and liquidity of the market for our Shares, investors’ individual perception of our Group, market and economic conditions, general industry conditions, and our operating results.

9. RISK FACTORS

9.3.2 We may not be able to pay dividends to our shareholders

Our ability to declare dividends to our shareholders will depend on, amongst others, our profitability and cash flow position, our capital expenditure and strategic investment requirements, and our working capital needs and debt servicing obligations. This, in turn, is dependent on market demand, our operating results, and our ability to implement our future plans. As such, there is no assurance that we will be able to pay dividends to our shareholders.

You should note that any statement on the payment of dividends in this Prospectus merely describes our Company's present intention. This shall neither constitute a legally binding obligation or statement on our Company nor a guarantee by our Board. If we do not pay dividends, or pay dividends at levels lower than that anticipated by investors, the market price of our Shares may be negatively affected and the value of any investment in our Shares may be reduced. Please refer to Section 12.5 of this Prospectus for a description of our dividend policy, and Section 15.3 of this Prospectus for details of repatriation of capital and remittance profit from our foreign subsidiary.

9.3.3 Our Share price and trading volume may be volatile

The trading price and volume of our Shares could be subject to fluctuations in response to various factors, some of which are not within our control and may be unrelated or disproportionate to our operating results. These factors may include changes in analysts' recommendations or projections, economic and political conditions of our country as well as the growth potential of the specialty food ingredient and food product industry.

In addition, the trading price and volume of our Shares are dependent on external factors such as the performance of the world exchanges and the inflow or outflow of foreign funds. These factors will contribute to the volatility of trading volumes witnessed on Bursa Securities and may adversely affect the market price of our Shares.

9.3.4 The interests of our Promoters and substantial shareholders who control our Company upon the completion of our IPO and Listing may not be aligned with the interests of other shareholders

Upon the completion of our IPO and Listing, our Promoters and substantial shareholders via their direct and/or indirect interests in our Company, will collectively hold an aggregate of 669,863,638 Shares, representing approximately 65.62% of our entire enlarged total number of issued Shares upon our Listing (assuming the Over-allotment Option is not exercised).

As a result, our Promoters and substantial shareholders will be able to have effective control over the business direction and management of our Company including the election of Directors, the timing and payment of dividends, and have the ability to influence the outcome of certain matters requiring the vote of our shareholders unless our Promoters and substantial shareholders and persons connected with them are required to abstain from voting either by requirement of law and/or by the relevant guidelines or regulations. Therefore, there may be a risk where the interests of our Promoters and substantial shareholders are not aligned with those of our other shareholders.

Notwithstanding the above, we have in place our Audit Committee, consisting of our Independent Non-Executive Directors, which functions to assist our Board in making decisions that are in our shareholders' best interest based on our internal control systems. Please refer to Section 5.3.2 of this Prospectus for further details on the duties and responsibilities of our Audit Committee.

9. RISK FACTORS

9.3.5 Possible sale of a substantial number of Shares in the public market following our IPO could adversely affect the price of our Shares

Upon the completion of our IPO and Listing, we will have 1,020,823,025 Shares in issue, of which up to 300,123,000 Shares, representing up to 29.40% of our entire enlarged total number of issued Shares, will be held by investors participating in our Listing, and approximately 65.62% (assuming the Over-allotment Option is not exercised) will be held by our Promoters and substantial shareholders via their direct and/or indirect interests in our Company. Our Shares sold in our Listing will be traded on the Main Market following our Listing.

It is possible that our Promoters and/or substantial shareholders may dispose of some or all of our Shares that they hold after the moratorium period, pursuant to their own investment objectives. If our Promoters and/or substantial shareholders sell, or are perceived as intending to sell, a substantial amount of our Shares, the market price for our Shares could be adversely affected.

9.3.6 Delay or failure of our Listing

Our Listing may be potentially delayed or aborted due to the occurrence of certain events, which include the following:

- (i) our Underwriter exercising their rights pursuant to the Underwriting Agreement to discharge themselves from their obligations thereunder;
- (ii) if we are unable to meet the public shareholding spread requirements under the Listing Requirements of having at least 25.00% of our total number of Shares for which our Listing is sought, being held by a minimum number of 1,000 public shareholders holding not less than 100 Shares at the point of our Listing; and
- (iii) the revocation of the approvals from the relevant authorities prior to our Listing for whatever reason.

Where prior to the issuance and allotment or transfer of our IPO Shares:

- (i) the SC issues a stop order pursuant to Section 245(1) of the CMSA, the applications shall be deemed to be withdrawn and cancelled and we or such other person who received the monies shall repay all monies paid for the applications for our IPO Shares within 14 days of the stop order, failing which we shall be liable to return such monies with interest at the rate of 10.00% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(a) of the CMSA; or
- (ii) our Listing is aborted other than pursuant to a stop order by the SC under Section 245(1) of the CMSA, investors will not receive any IPO Shares, all monies paid for all applications for our IPO Shares will be refunded free of interest.

Where subsequent to the issuance and allotment or transfer of our IPO Shares:

- (i) the SC issues a stop order pursuant to Section 245(1) of the CMSA, any issue of our IPO Shares shall be deemed to be void and all monies received from the applicants shall be forthwith repaid and if any such money is not repaid within 14 days of the date of service of the stop order, we shall be liable to return such monies with interest at the rate of 10.00% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(b) of the CMSA; or
- (ii) our Listing is aborted other than pursuant to a stop order by the SC under Section 245(1) of the CMSA, a return of monies to our shareholders could only be achieved by way of a cancellation of share capital as provided under the Act and its related rules.

9. RISK FACTORS

Such cancellation can be implemented by the sanction of our shareholders by special resolution in a general meeting and supported by either:

- (a) the consent by our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya, in which case there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances; or
- (b) a solvency statement from our Directors.

10. RELATED PARTY TRANSACTIONS

10.1 OUR GROUP'S RELATED PARTY TRANSACTIONS

10.1.1 Related party transactions

Save as disclosed below, there are no existing or proposed material related party transactions, which involved the interest, direct or indirect, of our Directors, major shareholders and/or persons connected with them for the FYE Under Review and from 1 January 2025 up to the LPD:

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value (RM'000)			From 1 January 2025 up to the LPD
				FYE 2022	FYE 2023	FYE 2024	
1.	CFI and Family Cereal	Dato' Saw and Saw Benson are our Directors.	(i) Lease of the SJ Warehouse by CFI from Family Cereal ⁽¹⁾	770 (Represents 1.99% of our Group's PAT)	840 (Represents 2.61% of our Group's PAT)	840 (Represents 2.00% of our Group's PAT)	560
		OCSB, Dato' Saw, Saw Benson and Saw Ee Chee are our major shareholders.	(ii) Transfer of assets from Family Cereal to CFI pursuant to the Asset Transfer Agreement (as defined below)	*	-	-	-
		Dato' Saw, Saw Benson and Saw Ee Chee are directors of Family Cereal.					
		OCSB, Dato' Saw, Saw Benson and Saw Ee Chee are major shareholders of Family Cereal.	(iii) Sales of malt and cereals, and non-dairy creamers to Family Cereal	737 (Represents 0.18% of our Group's revenue)	-	-	-
			(iv) Purchase of input materials from Family Cereal	7,467 (Represents 2.23% of our Group's cost of sales)	-	-	-

10. RELATED PARTY TRANSACTIONS

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value (RM'000)			From 1 January 2025 up to the LPD
				FYE 2022	FYE 2023	FYE 2024	
			(v) Payment of management fee to Family Cereal	204 (Represents 0.53% of our Group's PAT)	-	-	-
			(vi) Payment of packaging services to Family Cereal	1,043 (Represents 2.70% of our Group's PAT)	-	-	-
			(vii) Purchase of assets from Family Cereal	*	96 (Represents 0.07% of our Group's NA)	-	-
2.	CFI and Mylar	Dato' Saw and Saw Benson are our Directors. OCSB, Dato' Saw, Saw Benson and Saw Ee Chee are our major shareholders. Dato' Saw, Saw Benson and Saw Ee Chee are directors of Mylar. OCSB, Dato' Saw, Saw Benson and Saw Ee Chee are major shareholders of Mylar.	Lease of the SJ Factory from Mylar to CFI ⁽¹⁾	924 (Represents 2.39% of our Group's PAT)	1,008 (Represents 3.13% of our Group's PAT)	1,008 (Represents 2.40% of our Group's PAT)	672

10. RELATED PARTY TRANSACTIONS

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value (RM'000)			From 1 January 2025 up to the LPD
				FYE 2022	FYE 2023	FYE 2024	
3.	CFI and OCSB	Dato' Saw and Saw Benson are our Directors. OCSB, Dato' Saw, Saw Benson and Saw Ee Chee are our major shareholders. Dato' Saw, Saw Benson and Saw Ee Chee are directors and major shareholders of OCSB.	Leasing of the OCSB Warehouse to CFI ⁽¹⁾	-	100 (Represents 0.31% of our Group's PAT)	600 (Represents 1.43% of our Group's PAT)	400
4.	CFI and Ernsts (Shenzen) Co Ltd ("Ernsts")	Dato' Saw and Saw Benson are our Directors. OCSB, Dato' Saw, Saw Benson and Saw Ee Chee are our major shareholders.	(i) Sale of non-dairy creamers, functional lipid powders, and malt and cereals to Ernsts ⁽²⁾	5,685 (Represents 1.38% of our Group's revenue)	5,705 (Represents 1.55% of our Group's revenue)	5,105 (Represents 1.29% of our Group's revenue)	3,063
			(ii) Purchase of input materials from Ernsts	350 (Represents 0.10% of our Group's cost of sales)	216 (Represents 0.07% of our Group's cost of sales)	-	-
		OCSB, Dato' Saw, Saw Benson and Saw Ee Chee are major shareholders of Ernsts. Dato' Saw was a director of Ernsts. He has resigned on 19 June 2025.					

10. RELATED PARTY TRANSACTIONS

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value (RM'000)			From 1 January 2025 up to the LPD
				FYE 2022	FYE 2023	FYE 2024	
5.	LRTS Retail Sdn Bhd and CFI	Lum Ying Ling is our Director. Creador V is our major shareholder. Lum Ying Ling is a director of Loob Berhad and Loob Holding Sdn Bhd (a subsidiary of Loob Berhad). LRTS Retail Sdn Bhd is an indirect subsidiary of Loob Berhad. Loob Berhad is an investee company of Creador IV L.P., a fund managed by Creador Management IV Ltd, which is associated with Creador Management V Ltd, the general partner of Creador V.	Sale of our specialty food ingredients to LRTS Retail Sdn Bhd	16,465 (Represents 4.01% of our Group's revenue)	16,031 (Represents 4.37% of our Group's revenue)	14,657 (Represents 3.71% of our Group's revenue)	7,640

Notes:

* Insignificant amount

(1) The details of the respective tenancy agreements for SJ Factory, SJ Warehouse and OCSB Warehouse are as follows:

- (a) On 2 January 2025, Family Cereal (landlord) and CFI (tenant) had entered into a tenancy agreement for the leasing of the SJ Warehouse for a tenure of one year from 1 February 2025 to 31 January 2026 at the monthly rent of RM70,000. Subsequently, Family Cereal and CFI had on 24 September 2025 entered into another tenancy agreement for the leasing of the SJ Warehouse. Please refer to Note(1)(d) below for further details of the new tenancy agreement.
- (b) On 2 January 2025, Mylar (landlord) and CFI (tenant) had entered into a tenancy agreement for the leasing of the SJ Factory for a tenure of one year from 1 February 2025 to 31 January 2026 at the monthly rent of RM84,000. Subsequently, Mylar and CFI had on 24 September 2025 entered into another tenancy agreement for the leasing of the SJ Factory. Please refer to Note(1)(d) below for further details of the new tenancy agreement.

10. RELATED PARTY TRANSACTIONS

- (c) On 2 January 2025, OCSB (landlord) and CFI (tenant) had entered into a tenancy agreement for the leasing of the OCSB Warehouse for a tenure of one year from 1 February 2025 to 31 January 2026 at the monthly rent of RM50,000. Subsequently, OCSB and CFI had on 24 September 2025 entered into another tenancy agreement for the leasing of the OCSB Warehouse. Please refer to Note(1)(d) below for further details of the new tenancy agreement.
- (d) The salient terms of the new tenancy agreements entered into for the leasing of the SJ Warehouse, SJ Factory and OCSB Warehouse are as follows:

	SJ Warehouse	SJ Factory	OCSB Warehouse
Parties	(i) Family Cereal as landlord (ii) CFI as tenant	(i) Mylar as landlord (ii) CFI as tenant	(i) OCSB as landlord (ii) CFI as tenant
Rental rate	RM70,000 per month	RM84,000 per month	RM50,000 per month
Tenure	Three years commencing from 1 February 2026, with an option to renew for a period of three years. No party shall be entitled to terminate the agreement before the tenure expires, unless prior written consent from the other party is obtained within six months prior to the date of termination of the agreement and subject to the terms and conditions of the tenancy agreement.	Three years commencing from 1 February 2026, with an option to renew for three terms of three years. No party shall be entitled to terminate the agreement before the tenure expires, unless prior written consent from the other party is obtained within six months prior to the date of termination of the agreement and subject to the terms and conditions of the tenancy agreement.	Three years commencing from 1 February 2026, with an option to renew for a period of three years. No party shall be entitled to terminate the agreement before the tenure expires, unless prior written consent from the other party is obtained within six months prior to the date of termination of the agreement and subject to the terms and conditions of the tenancy agreement.
Option to renew	Renewal shall be at the option of the tenant, with the revised rental rates to be determined based on prevailing market rental rates assessed by an independent valuer to be mutually appointed by the parties.		
Right of first refusal to purchase the properties	(i) During the tenure or Option Period (as defined below) and one year after the expiry of the tenure or Option Period, if the landlord proposes to novate, transfer, dispose of or otherwise deal with its interest in the relevant property, to third parties, the landlord shall grant to the tenant a right of first refusal to buy the relevant property.		

10. RELATED PARTY TRANSACTIONS

	SJ Warehouse	SJ Factory	OCSB Warehouse
	(ii) The landlord shall notify and offer to the tenant the sale of the relevant property (the “Offer”) stating inter alia, the purchase price (the “Purchase Price”) of the relevant property. (iii) The tenant shall within 60 days of being notified of the Offer, revert to the landlord on its decision on the acceptance of the Offer. The tenant shall within 14 business days from the date of the acceptance of the Offer, execute a sale and purchase agreement. (iv) If the tenant does not accept the Offer within the time period prescribed, the landlord shall be at liberty and is entitled to offer the relevant property to any third party without any further notice or consent and if the landlord does offer to such third party, the offer shall be on terms and conditions not more favourable than that offered to the tenant including the Purchase Price for the relevant property.		
Grant of option to purchase the properties	(i) The landlord grants to the tenant an exclusive option to purchase the relevant property at an option price to be determined based on the prevailing market rate assessed by an independent valuer to be mutually appointed by the parties (“Option”). (ii) The parties agree that the Option may be exercisable on the day immediately after commencement date of the tenancy up to expiry date of the tenancy (“Option Period”). If the tenant is desirous of exercising the Option anytime during the Option Period, the tenant shall give not less than three months written notice to the landlord advising the landlord of its intention to exercise the Option.		
Sale of the properties by the landlord is subject to the tenancy	If there is any transfer of ownership of the relevant property to any party, such transfer shall be subject to the existing tenancy, and the rights and obligations of the tenant thereunder shall remain valid, binding, and enforceable against the transferee.		
Events of default	<u>Tenant's default</u> On the occurrence of any one or more of the following events: (i) if the rental or any part thereof in arrears and remain unpaid by the tenant at any time for 30 days after becoming due whether formally demanded or not; or (ii) if there shall be any material breach, non-performance or non-observance by the tenant of any covenant or conditions contained in the tenancy agreement; or (iii) if the tenant goes into liquidation or receivership,		

10. RELATED PARTY TRANSACTIONS

	SJ Warehouse	SJ Factory	OCSB Warehouse
	then the landlord may serve a termination notice ("Termination Notice") on the tenant requesting the tenant to remedy the breach within 30 days from the said Termination Notice ("Remedy Period"). If the tenant fails to remedy the breach within the Remedy Period, the landlord shall be at liberty to re-enter upon the relevant property or any part thereof to take possession of the relevant property and to terminate the tenancy but without prejudice to the right of action of the landlord in respect of any breach of the tenant's covenants in the tenancy agreement. In addition, the rental deposit shall be forfeited by the landlord as agreed liquidated damages. <u>Landlord's default</u> On the occurrence of any one or more of the following events: (i) if there shall be any material breach, non-performance or non-observance by the landlord of any covenants or conditions contained in the tenancy agreement; or (ii) if the landlord goes into liquidation or receivership; then the tenant may serve a Termination Notice on the landlord requesting the landlord to remedy breach within the Remedy Period. If the landlord fails to remedy the breach within the Remedy Period, the tenant may terminate the tenancy but without prejudice to the right of action of the tenant in respect of any breach of the landlord's covenants in the tenancy agreement, including seeking any compensation, indemnity and/or damages for the loss of its business. In addition, the rental deposit (without interest) shall be refunded to the tenant and the landlord shall pay to the tenant an amount equivalent to the rental deposit as agreed liquidated damages.		
Termination / Expiration of the tenancy	At the expiry date of the tenancy, or on the occurrence of event of default or early termination of the tenancy by the tenant for whatever reason: (i) the tenant shall deliver vacant possession of the relevant property to the landlord; or (ii) if the tenant fails to deliver the vacant possession of the relevant property after the expiry date, the tenant is deemed to have tenanted the relevant property on month-to-month basis, at the monthly rental to be agreed between the parties until the date the tenant delivers vacant possession of the relevant property to the landlord.		

10. RELATED PARTY TRANSACTIONS

- (2) On 8 August 2025, Ernsts and CFI had entered into a distribution agreement whereby Ernsts was appointed as a non-exclusive distributor of CFI to distribute and sell food ingredients and food products manufactured by our Group in China. The agreement is valid for a period of one year from 8 August 2025 to 7 August 2026, with parties to negotiate the terms of renewal two months prior to the expiry of the agreement. The agreement may be terminated by either party if, among others, a receiver or manager has been appointed over the whole or any substantial part of either party's assets, changes in control over the business of either party and breach of the terms of the agreement. The purchase price of the finished goods sold by CFI are set out in the purchase order. The credit term granted by our Group to Ernsts is 30 days from the date of the invoice from CFI. Please refer to Section 11.1 of this Prospectus for further details on the distribution agreement.

On 28 February 2022, CFI had entered into an agreement with Family Cereal for the purchase of malt and cereal products manufacturing business from Family Cereal for a consideration of RM1.00 ("**Consideration**"). The Consideration was not based on the market value of the assets of Family Cereal and therefore not transacted on an arm's length basis. However, the terms of the transaction were not unfavourable to our Group. In addition, this was a one-off transaction which was completed on 1 February 2022 ("**Asset Transfer Agreement**").

Our Group has enhanced our related party transaction policy on 22 July 2025 whereby any future transactions between CFI and Family Cereal will be carried out on an arm's length basis and on terms which are not unfavourable to our Group.

Save as disclosed above, all the material related party transactions entered into by our Group which involved the interest, direct or indirect, of the Directors, major shareholders and/or persons connected with them during the FYE Under Review and from 1 January 2025 up to the LPD were transacted on arms' length basis and were based on terms and conditions which were not unfavourable to our Group.

After our Listing, we will be required to seek our shareholders' approval each time we enter into a material related party transaction in accordance with the Listing Requirements. However, if the related party transactions can be deemed as recurrent related party transactions, we may seek a general mandate from our shareholders (which mandate would typically be renewed each time at our AGM) to enter into such recurrent transactions during the validity of the mandate. Accordingly, if our mandate is obtained from our shareholders, there is no need for us to seek separate shareholders' approval each time we wish to enter into such transactions during the mandate period.

In addition, to safeguard the interest of our Group and our non-interested shareholders, and to mitigate any potential conflict of interest situation, our Audit Committee will, among others, supervise and monitor any recurrent related party transaction and the terms thereof and report to our Board for further action. Please refer to Section 10.2 of this Prospectus for further details on the monitoring and oversight of related party transactions.

10.1.2 Transactions that are unusual in their nature or conditions

There are no transactions that are unusual in nature or conditions, involving goods, services, tangible or intangible assets, to which our Group was a party for the FYE Under Review and from 1 January 2025 up to the LPD.

10.1.3 Outstanding loans and/or financial assistance to or for the benefit of related parties

There are no outstanding loans and/or financial assistance that have been granted by our Group to or for the benefit of our related parties for the FYE Under Review and from 1 January 2025 up to the LPD.

10. RELATED PARTY TRANSACTIONS

10.1.4 Upliftment of personal and corporate guarantees

Save as disclosed below, there are no other personal and corporate guarantees provided by the following parties to financial institutions to secure bank guarantees for performance and tender bonds of our Group:

Guarantor		Financial institution	Guaranteed amount (RM'000)
Dato' Saw		CIMB Islamic Bank Berhad	152,628
(i)	Dato' Saw	Maybank Islamic Berhad	46,000
(ii)	OCSB		46,000
(i)	Dato' Saw	HSBC Bank Malaysia Berhad	16,400
(ii)	Oriental Graphics Sdn Bhd		Charge over three properties located in Bayan Lepas, Penang owned by Oriental Graphics

As at the LPD, we have obtained consents from all the lenders above for the release and/or discharge of the said personal and corporate guarantees, subject to, among others, the following conditions:

- (i) our Company shall hold at least 20.00% to 51.00% shareholdings in CFI upon the successful listing of CFH;
- (ii) execution of fresh corporate guarantee by our Company in favour of the lenders;
- (iii) if our Listing is unsuccessful, to re-execute the personal guarantees and corporate guarantees with the respective lenders;
- (iv) Dato' Saw to remain as a director of CFI upon successful listing of our Company;
- (v) Dato' Saw and his family members shall have management control of our Company; and
- (vi) Dato' Saw and his family members shall remain as our substantial shareholders with collective shareholding (direct / indirect) of at least 20.00%.

10. RELATED PARTY TRANSACTIONS

10.2 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS

Upon our Listing, our Audit Committee will, amongst others, review the terms of all related party transactions to ensure that the related party transactions are carried out on an arm's length basis and on terms which are not unfavourable to our Group.

If there are any proposed related party transactions that:

- (i) involve the interest, direct or indirect, of our Director(s), the interested Director(s) will disclose their interest to our Board, and the nature and extent of their interest including all matters in relation to the proposed related party transactions. The interested Director(s) will also abstain from any Board deliberation and voting on the relevant resolution(s) in respect of such proposed related party transactions; or
- (ii) requires the prior approval of our shareholders, our Directors, substantial shareholders and/or persons connected with them, which have any interest, direct or indirect, in the transaction, will abstain from voting in respect of his direct and/or indirect shareholdings.

Such interested Directors and/or substantial shareholders will also undertake to ensure that persons connected with them will abstain from voting on the resolution approving the proposed related party transaction at a general meeting.

11. CONFLICT OF INTEREST

11.1 INTEREST IN ENTITIES WHICH ARE IN SIMILAR TRADE AS OUR GROUP, OUR CUSTOMERS AND/OR OUR SUPPLIERS

Save as disclosed below, none of our Directors and substantial shareholders have any interest, direct or indirect, in businesses and corporations which are (i) carrying on a similar trade as that of our Group, or (ii) our customers or suppliers as at the LPD:

No.	Interested party of our Group	Interested corporation	Nature of interest	Nature of conflict
(i)	OCSB, Dato' Saw, Saw Benson and Saw Ee Chee	Ernsts Foods (ShenZhen) Co., Ltd ("Ernsts")	Dato' Saw and Saw Benson are our Directors. OCSB, Dato' Saw, Saw Benson and Saw Ee Chee are our substantial shareholders. OCSB, Dato' Saw, Saw Benson and Saw Ee Chee are substantial shareholders of Ernsts. Dato' Saw was a director of Ernsts. He has resigned on 19 June 2025.	(i) Similar trade (ii) Customer of CFI
(ii)	Saw Ee Chee	Federal Oats Mills Sdn Bhd ("FOM")	Saw Ee Chee is our substantial shareholder. Saw Ee Chee is a director and substantial shareholder of FOM.	Similar trade
(iii)	OCSB, Dato' Saw, Saw Benson and Saw Ee Chee	Oriental Graphics Sdn Bhd ("Oriental Graphics")	Dato' Saw and Saw Benson are our Directors. OCSB, Dato' Saw, Saw Benson and Saw Ee Chee are our substantial shareholders. Dato' Saw is a director of Oriental Graphics. OCSB, Dato' Saw, Saw Benson and Saw Ee Chee are substantial shareholders of Oriental Graphics.	(i) Customer of CFI (ii) Supplier of CFI

11. CONFLICT OF INTEREST

No.	Interested party of our Group	Interested corporation	Nature of interest	Nature of conflict
(iv)	Lum Ying Ling	LRTS Retail Sdn Bhd ("LRTS Retail")	Lum Ying Ling is our Director. Lum Ying Ling is a director of Loob Berhad and Loob Holding Sdn Bhd (a subsidiary of Loob Berhad). LRTS Retail is an indirect subsidiary of Loob Berhad.	Customer of CFI
(v)	Saw Meng Tee	Food Empire	Saw Meng Tee is a director of CFI. Saw Meng Tee is a director of Food Empire.	(i) Similar trade (ii) Customer of CFI
(vi)	Creador V	CTOS Data Systems Sdn Bhd ("CTOS")	Creador V is our substantial shareholder. Creador V is a substantial shareholder of CTOS.	Supplier of CFI

11. CONFLICT OF INTEREST

Our Board is of the view that the interest of the interested Directors and substantial shareholders, direct or indirect, in the following corporations do not give rise to a conflict of interest situation after taking into consideration the following:

No.	Interested corporation	Mitigating measure

(i)	Ernsts	Ernsts trades food ingredients and food products including non-dairy creamers, functional lipid powders and malt and cereal products.

(i)	(Similar trade) Ernsts only trades food ingredients and food products and does not manufacture them.

Our Group is principally a manufacturer of specialty food ingredients and food products whereby the revenue from this business activity represents 97.46% of our Group's total revenue for the FYE 2024.

As such, Ernst's business operations are of a different focus area as compared to our Group's and are not in competition with our Group's business operations.

On 8 August 2025, Ernsts was appointed as a non-exclusive distributor of CFI to distribute and sell our Group's manufactured specialty food ingredients and food products to customers in China. The distribution agreement is entered into on normal commercial terms. During the tenure of the distribution agreement, Ernsts shall only:

(a) source any specialty food ingredients and food products that are manufactured by CFI ("**Products**"), from CFI; and

(b) sell the Products to customers in China, subject to a maximum volume of 10,000 kg per transaction.

If the distribution agreement is terminated, Ernsts shall not engage in a competing business with our Group for a period of five years or so long as OCSB remains to be our substantial shareholder, whichever is longer.

The distribution agreement is renewable yearly and its terms will be subject to the review of our Audit Committee to ensure that those terms are on an arm's length basis and are not unfavourable to our Group.

(ii)	(Customer of our Group) Ernsts is a customer of our Group. However, our Group is not dependent on our sales to Ernsts as it represents 1.29% of our Group's total revenue for the FYE 2024.

The sales of goods to Ernsts were and will be carried out on an arm's length basis and on normal commercial terms which are not unfavourable to our Group.

11. CONFLICT OF INTEREST

No.	Interested corporation	Mitigating measure
		(iii) OCSB, Dato' Saw, Saw Benson and Saw Ee Chee are not involved in the day-to-day operations of Ernsts as Ernsts has its own standalone management team to undertake its day-to-day operation and management.
		(iv) Additionally, Saw Benson is holding a non-executive role on our Board, and Saw Ee Chee and Saw Benson are not involved in the day-to-day operations of our Group.
(ii)	FOM	(i) FOM is primarily involved in the manufacturing and sale of oats. Our Group does not manufacture the oat products sold by FOM. Our Group supplies similar oat-related products (such as instant oats and quick cooking oats) which are sourced from third party suppliers. Our Group's revenue from the trading of oat products only represents 1.67% of our Group's total revenue for the FYE 2024. As such, FOM's business operations are of a different focus area as compared to our Group's and are not in competition with our Group's business operations. (ii) Saw Ee Chee is not involved in the day-to-day operation and management of our Group. (iii) Saw Ee Chee is not involved in the day-to-day operation and management of FOM.
(iii)	Oriental Graphics	Oriental Graphics is primarily involved in renting of premises, printing activities, selling of hampers, flowers and gifts, and online order and delivery services for hampers, flowers and gifts. Oriental Graphics is a customer of our Group and our Group purchases printing and stationery products from Oriental Graphics. (i) Our Group is not dependent on Oriental Graphics as our customer as: (a) our total sales to Oriental Graphics is negligible compared to our Group's total revenue for the FYE 2024; and (b) in FYE 2024, our Group had approximately 450 customers, comprising food manufacturers, foodservice operators, and resellers (distributors and trading companies). (ii) Our Group is not dependent on Oriental Graphics as our supplier for our manufacturing and supply segment as our Group does not purchase any input materials from Oriental Graphics. Oriental Graphics only supplies printing and stationery products to our Group.

11. CONFLICT OF INTEREST

No.	Interested corporation	Mitigating measure
		(iii) The purchases from Oriental Graphics is negligible compared to our Group's PAT for the FYE 2024. (iv) The sales and purchases of goods to/from Oriental Graphics were and will be on an arm's length basis and on normal commercial terms which are not unfavourable to our Group. (v) OCSB, Dato' Saw, Saw Benson and Saw Ee Chee are not involved in the day-to-day operation and management of Oriental Graphics as Oriental Graphics has its own standalone management team to undertake its day-to-day operation and management.
(iv)	LRTS Retail	LRTS Retail is primarily involved in the wholesale of food and beverage. Our Group sells our specialty food ingredients to LRTS Retail. (i) Our Group is not dependent on LRTS Retail as our customer as: (a) our total sales to LRTS Retail only represents 3.71% of our Group's total revenue for the FYE 2024; and (b) in FYE 2024, our Group had approximately 450 customers, comprising food manufacturers, foodservice operators, and resellers (distributors and trading companies). (ii) The sales of goods to LRTS Retail were and will be carried out on an arm's length basis and on normal commercial terms which are not unfavourable to our Group. (iii) Lum Ying Ling is not involved in the day-to-day operation and management of LRTS Retail as LRTS Retail has its own standalone management team to undertake its day-to-day operation and management. Additionally, Lum Ying Ling is holding a non-executive role on our Board and is not involved in the day-to-day operations of our Group.
(v)	Food Empire	Food Empire, a company listed on the Singapore Stock Exchange, manufacture and distribute instant beverages, snack foods and food ingredients such as spray-dried and freeze-dried soluble coffee and non-dairy creamers. CFI sells mainly malt and cereal, and other food ingredients to Food Empire and its group of companies ("Food Empire Group").

11. CONFLICT OF INTEREST

No.	Interested corporation	Mitigating measure
		(i) Our Group is not dependent on Food Empire Group as our customer as: (a) our total sales to Food Empire Group is negligible compared to our Group's revenue in FYE 2024; and (b) in FYE 2024, our Group had approximately 450 customers, comprising food manufacturers, foodservice operators, and resellers (distributors and trading companies). (ii) The sales of goods to Food Empire Group were and will be carried out on an arm's length basis and on normal commercial terms which are not unfavourable to our Group. (iii) Saw Meng Tee is an Independent Director of Food Empire and is not involved in the day-to-day operation and management of Food Empire Group as Food Empire Group has its own standalone management team to undertake its day-to-day operation and management. Additionally, Saw Meng Tee is also holding a non-executive role in CFI, does not hold any directorship in our Company and is not involved in the day-to-day operations of our Group.
(vi)	CTOS	CTOS is primarily involved in credit reporting and other digital software related services. Our Group subscribes for CTOS' credit monitoring and management services. (a) The amount transacted with CTOS is negligible compared to our Group's PAT for the FYE 2024. (b) Our Group is not dependent on CTOS as our supplier for our manufacturing and supply segment as our Group does not purchase any input materials from CTOS. Our Group only subscribes for CTOS' credit monitoring and management services. (c) The subscription from CTOS were and will be on an arm's length basis and on normal commercial terms which are not unfavourable to our Group. (d) Creador V will cease to be a substantial shareholder of our Company upon the Proposed Listing.

Moving forward, our Audit Committee will supervise any conflict of interest or potential conflict of interest situations that may arise. We have established procedures for related party transactions as disclosed in Section 10.2 of this Prospectus to ensure that these transactions will be transacted on arms' length basis and based on terms and conditions which were not unfavourable to our Group.

11. CONFLICT OF INTEREST

11.2 DECLARATIONS BY ADVISERS ON CONFLICTS OF INTEREST

11.2.1 RHB Investment Bank Berhad

RHB Investment Bank, its subsidiaries and associated companies, as well as its holding company, RHB Bank Berhad, and the subsidiaries and associated companies of RHB Bank Berhad (collectively, the “**RHB Banking Group**”) form a diversified financial group and may extend credit facilities or engage in private banking, commercial banking and investment banking transactions including, amongst others, brokerage, securities trading, asset and fund management, and credit transaction service businesses in its ordinary course of business with our Group. The RHB Banking Group has engaged and may in the future, engage in transactions with and perform services for our Group in addition to the roles set out in this Prospectus.

In addition, any member of the RHB Banking Group may at any time, in the ordinary course of business, offer to provide its services or to engage in any transaction (on its own account or otherwise) with any member of our Group, our Directors, shareholders, affiliates and/or any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, make investment recommendations and/or publish or express independent research views on such securities, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of any member of our Group and/or our affiliates. This is a result of the businesses of the RHB Banking Group generally acting independently of each other and accordingly, there may be situations where parts of the RHB Banking Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interests of our Group. The related companies of RHB Investment Bank may also bid for our Shares to be offered under the Institutional Offering following the book building process.

As at the LPD, the RHB Banking Group has not extended any credit facility to our Group. RHB Investment Bank is of the view that the abovementioned does not give rise to a conflict of interest situation in its capacity as our Sole Principal Adviser, Bookrunner and Underwriter (“**IPO Appointment**”) due to the following reasons:

- (i) RHB Investment Bank is a licensed investment bank and its IPO Appointment is in the ordinary course of its business. RHB Investment Bank does not receive or derive any financial interest or benefit save for the professional fees, underwriting commission and placement fees received in relation to its IPO Appointment;
- (ii) the corporate finance division of RHB Investment Bank (“**RHB CF**”) is required under its investment banking license to comply with strict policies and guidelines issued by the SC, Bursa Securities and Bank Negara Malaysia governing its advisory operations. These guidelines require, amongst others, the establishment of Chinese wall policies, clear segregation between dealing and advisory activities, and the formation of an independent committee to review its business operations. The team in charge of our IPO in RHB Investment Bank is independent from the team handling credit facilities. Further, there is no involvement by RHB CF for any credit application process undertaken by other departments within the RHB Banking Group; and
- (iii) the conduct of the RHB Banking Group in its banking business is strictly regulated by the Financial Services Act 2013, Islamic Financial Services Act 2013, CMSA and its own internal controls and checks which includes, segregation of reporting structures, in that its activities are monitored and reviewed by independent parties and committees.

RHB Investment Bank has confirmed that there is no conflict of interest in its capacity as our Sole Principal Adviser, Bookrunner and Underwriter for our IPO.

11. CONFLICT OF INTEREST

11.2.2 Christopher & Lee Ong

Christopher & Lee Ong confirms that there is no existing or potential conflict of interests in its capacity as Solicitors for our IPO.

11.2.3 KPMG PLT

KPMG PLT confirms that there is no existing or potential conflict of interests in its capacity as the Auditors and Reporting Accountants for our IPO.

11.2.4 Vital Factor Consulting Sdn Bhd

Vital Factor confirms that there is no existing or potential conflict of interests in its capacity as the Independent Business and Market Research Consultants for our IPO.

11.2.5 Tricor Investor & Issuing House Services Sdn Bhd

Tricor confirms that there is no existing or potential conflict of interests in its capacity as the Share Registrar and Issuing House for our IPO.

12. FINANCIAL INFORMATION

12.1 HISTORICAL FINANCIAL INFORMATION

Our Company was incorporated on 14 April 2025. The formation of our Group was undertaken through the Acquisition which was completed on [●].

The audited consolidated financial statements of our Company for the FYE Under Review do not include CFH as it was incorporated on 14 April 2025. Our historical consolidated financial information for the FYE Under Review comprised CFI and CFI BV only.

Our consolidated financial information for the FYE Under Review has been extracted from the audited consolidated financial statements contained in the Accountants' Report included in Section 13 of this Prospectus. Our audited consolidated financial statements have been prepared in accordance with MFRS Accounting Standards and IFRS Accounting Standards.

Our consolidated financial information should be read in conjunction with:

- (i) the Management's Discussion and Analysis of Financial Condition and Results of Operations as set out in Section 12.3 of this Prospectus; and
- (ii) the Accountants' Report together with its accompanying notes as set out in Section 13 of this Prospectus.

12.1.1 Historical audited consolidated statement of profit or loss and other comprehensive income

	Audited		
	FYE 2022	FYE2023	FYE 2024
	RM'000	RM'000	RM'000
Revenue	410,881	367,078	394,864
Cost of sales	(335,375)	(300,055)	(315,243)
GP	75,506	67,023	79,621
Other income	3,983	5,049	3,933
Selling and distribution expenses	(19,422)	(15,851)	(18,546)
Administrative expenses	(7,829)	(10,747)	(11,361)
Net gain/(loss) on impairment of financial instruments	502	(415)	191
Other expenses	(103)	(524)	(948)
Results from operating activities	52,637	44,535	52,890
Finance costs	(2,860)	(2,761)	(3,000)
PBT	49,777	41,774	49,890
Tax expense	(11,137)	(9,579)	(7,822)
PAT	38,640	32,195	42,068
Other comprehensive income / (expense), net of tax:			
Items that will not be reclassified subsequently to profit or loss:			
Revaluation of:			
- property, plant and equipment	-	-	(309)
- right-of-use assets	-	-	5,534
Item that is or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operation	9	12	(9)
Total comprehensive income for the year, net of tax	38,649	32,207	47,284

12. FINANCIAL INFORMATION

	Audited		
	FYE 2022	FYE2023	FYE 2024
	RM'000	RM'000	RM'000
PAT attributable to:			
Owners of our Company	38,640	32,195	42,068
Total comprehensive income attributable to:			
Owners of our Company	38,649	32,207	47,284
EBITDA (RM'000) ⁽¹⁾	62,502	53,642	66,129
GP margin (%) ⁽²⁾	18.38	18.26	20.16
PBT margin (%) ⁽³⁾	12.11	11.38	12.63
PAT margin (%) ⁽⁴⁾	9.40	8.77	10.65
EBITDA margin (%) ⁽⁵⁾	15.21	14.61	16.75
Basic EPS (sen) ⁽⁶⁾	3.79	3.15	4.12

Notes:

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

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

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

12. FINANCIAL INFORMATION

12.1.2 Historical audited consolidated statement of financial position

	Audited		
	As at 31 December		
	2022	2023	2024
	RM'000	RM'000	RM'000
Total non-current assets	115,657	133,027	154,704
Total current assets	165,777	152,300	182,469
Total assets	281,434	285,327	337,173
Total non-current liabilities	48,885	49,832	60,666
Total current liabilities	124,538	95,278	95,006
Total liabilities	173,423	145,110	155,672
Net assets	108,011	140,217	181,501
Share capital	10,000	10,000	10,000
Reserves	98,011	130,217	171,501
Total equity	108,011	140,217	181,501

12. FINANCIAL INFORMATION**12.2 CAPITALISATION AND INDEBTEDNESS**

The table below sets out our capitalisation and indebtedness based on the latest unaudited financial information as at 31 July 2025 and after adjusting the effects of the Public Issue and use of proceeds.

The pro forma financial information below does not represent our actual capitalisation and indebtedness as at 31 July 2025 and is provided for illustrative purposes only.

		(I)	(II)	(III)
	Unaudited as at 31 July 2025 RM'000	After the Acquisition RM'000	After (I) and Public Issue RM'000	After (II) and use of proceeds RM'000
Indebtedness				
<u>Current</u>				
<i>Secured and guaranteed</i>				
Term loans	6,607	6,607	6,607	6,607
Bankers' acceptances	16,624	16,624	16,624	16,624
Revolving credits	8,500	8,500	8,500	8,500
Hire purchase creditors	110	110	110	110
<i>Unsecured and guaranteed</i>				
Bankers' acceptances	11,017	11,017	11,017	11,017
<i>Unsecured and unguaranteed</i>				
Lease liabilities	2,489	2,489	2,489	2,489
<u>Non-current</u>				
<i>Secured and guaranteed</i>				
Term loans	43,004	43,004	43,004	[-]
Hire purchase creditors	309	309	309	309
<i>Unsecured and unguaranteed</i>				
Lease liabilities	1,448	1,448	1,448	1,448
Total indebtedness	90,108	90,108	90,108	[-]
Total capitalisation / shareholders' equity	197,002	197,002	[-]	[-]
Total capitalisation and indebtedness	287,110	287,110	[-]	[-]
Gearing ratio (times) ⁽¹⁾	0.46	0.46	[-]	[-]

Note:

(1) Computed based on total indebtedness over total capitalisation / shareholders' equity.

12. FINANCIAL INFORMATION

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

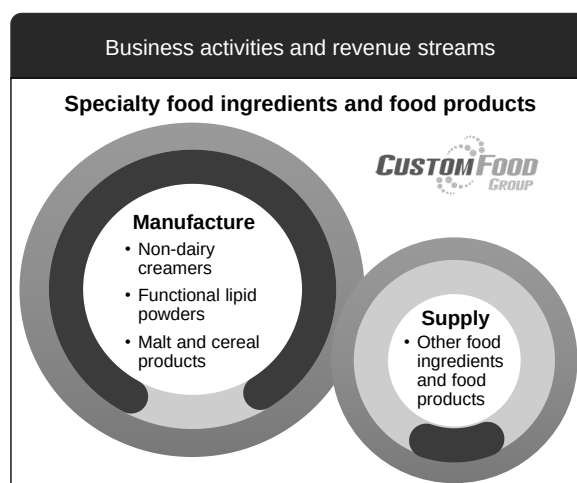
The following management's discussion and analysis of our Group's financial conditions and results of operations for the FYE Under Review should be read in conjunction with our consolidated financial statements and the accompanying notes as set out in the Accountants' Report which are included in Section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

There are no accounting policies which are peculiar to our Group. For further details on the accounting policies of our Group, please refer to the Accountants' Report as set out in Section 13 of this Prospectus.

12.3.1 Overview of our operations

We are principally a manufacturer of specialty food ingredients and food products focusing on non-dairy creamers, functional lipid powders, as well as malt and cereal products. For our manufacturing segment, the revenue generated is recognised at a point in time when the goods are delivered and accepted by our customers.

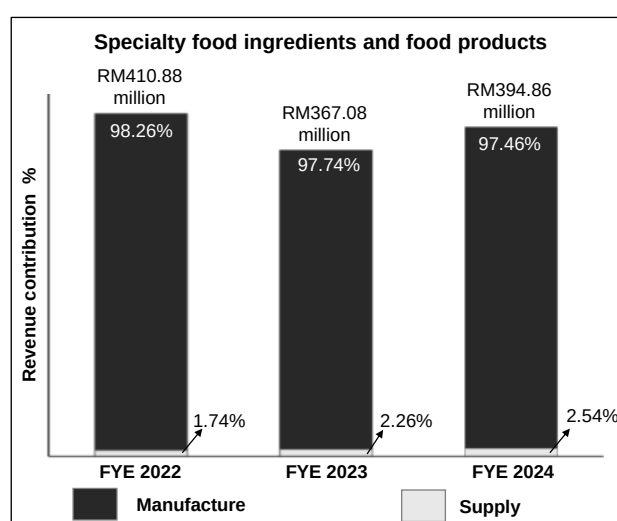
We are also involved in the supply of other food ingredients and food products that we do not manufacture and that are sourced from third party suppliers. This includes (i) malt and cereal ingredients and products; (ii) coffee, tea and cocoa products; (iii) dairy and dairy alternatives; and (iv) sweeteners. For our supply segment, the revenue generated is recognised at a point in time when the goods are delivered and accepted by our customers.



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

We principally operate in Malaysia. For the FYE Under Review, we served customers in Malaysia as well as foreign countries in Asia, the Americas, Europe, the Middle East, Oceania and Africa.

Our revenue was mainly derived from export sales to foreign countries which accounted for 53.91%, 57.00%, and 51.17% of our total revenue for FYE 2022, FYE 2023 and FYE 2024 respectively. Meanwhile, domestic sales accounted for 46.09%, 43.00% and 48.83% of our total revenue for FYE 2022, FYE 2023 and FYE 2024 respectively.



12. FINANCIAL INFORMATION

Domestic sales to our customers in Malaysia are mainly transacted in RM, while products exported to foreign countries are mainly transacted in USD and EUR. Meanwhile, our purchases of materials are mainly transacted in RM, USD and EUR. The foreign currency exchange rates that are mainly used in our consolidated financial statements for conversion of values denominated in foreign currencies to RM are summarised in the following table:

Average exchange rate relative to the following foreign currencies	FYE 2022	FYE 2023	FYE 2024	Change in the value of RM relative to the respective foreign currency ⁽¹⁾	
				FYE 2022-2023	FYE 2023-2024
	RM	RM	RM		
• EUR1.00	4.6253	4.9251	4.9525	6.48%	0.56%
• USD1.00	4.3954	4.5566	4.5732	3.67%	0.36%

Closing exchange rate relative to the following foreign currencies	FYE 2022	FYE 2023	FYE 2024	Change in the value of RM relative to the respective foreign currency ⁽¹⁾	
				FYE 2022-2023	FYE 2023-2024
	RM	RM	RM		
• EUR1.00	4.7099	5.0949	4.6402	8.17%	(8.92%)
• USD1.00	4.4150	4.5995	4.4600	4.18%	(3.03%)

Note:

- (1) A positive change in value indicates that the value of the RM depreciated relative to the respective foreign currencies, while a negative change in value indicates that the value of the RM appreciated relative to the respective foreign currencies.

Please refer to Note 26.6.1 of the Accountants' Report set out in Section 13 of this Prospectus for further details on the foreign exchange risk.

12. FINANCIAL INFORMATION

12.3.2 Revenue

(i) Revenue by business activities and products

	FYE 2022		FYE 2023		FYE 2024	
	RM '000	%	RM '000	%	RM'000	%
Manufacturing of specialty food ingredients and food products	403,727	98.26	358,773	97.74	384,815	97.46
• Non-dairy creamers	304,664	74.15	246,579	67.17	249,008	63.06
• Functional lipid powders	50,660	12.33	60,637	16.52	75,281	19.07
• Malt and cereal products	48,403	11.78	51,557	14.05	60,526	15.33
Supply of other food ingredients and food products ⁽¹⁾	7,154	1.74	8,305	2.26	10,049	2.54
Total	410,881	100.00	367,078	100.00	394,864	100.00

Note:

- (1) Include food ingredients and food products that we do not manufacture and that are sourced from third party suppliers, which are mainly (i) malt and cereal ingredients and products; (ii) coffee, tea and cocoa products; (iii) dairy and dairy alternatives; and (iv) sweeteners.

(ii) Sales volume by business activities and products

	FYE 2022	FYE 2023	FYE 2024
	tonnes	tonnes	tonnes
Manufacturing of specialty food ingredients and food products	46,246	41,455	45,753
• Non-dairy creamers	36,171	30,383	31,952
• Functional lipid powders	4,068	5,122	6,522
• Malt and cereal products	6,007	5,950	7,279
Supply of other food ingredients and food products ⁽¹⁾	1,248	1,193	1,618

Note:

- (1) Include food ingredients and food products that we do not manufacture and that are sourced from third party suppliers, which are mainly (i) malt and cereal ingredients and products; (ii) coffee, tea and cocoa products; (iii) dairy and dairy alternatives; and (iv) sweeteners.

12. FINANCIAL INFORMATION**(iii) Revenue by geographical markets**

	FYE 2022		FYE 2023		FYE 2024	
	RM '000	%	RM '000	%	RM'000	%
Malaysia	189,360	46.09	157,841	43.00	192,797	48.83
Foreign countries	221,521	53.91	209,237	57.00	202,067	51.17
Asia	168,844	41.09	160,533	43.73	156,229	39.57
- <i>Taiwan</i>	22,755	5.54	32,303	8.80	31,275	7.92
- <i>Philippines</i>	29,848	7.26	35,088	9.56	27,550	6.98
- <i>Türkiye</i>	13,711	3.34	21,225	5.78	23,889	6.05
- <i>Vietnam</i>	24,881	6.05	22,955	6.25	23,217	5.88
- <i>Indonesia</i>	37,727	9.18	14,734	4.01	16,554	4.19
- <i>Others</i> ⁽¹⁾	39,922	9.72	34,228	9.33	33,744	8.55
The Americas ⁽²⁾	14,505	3.53	18,438	5.02	18,727	4.74
Europe ⁽³⁾	27,794	6.76	17,791	4.85	15,572	3.94
Others ⁽⁴⁾	10,378	2.53	12,475	3.40	11,539	2.92
Total	410,881	100.00	367,078	100.00	394,864	100.00

Notes:

- (1) Other countries in Asia include Thailand, China, Singapore, Pakistan, South Korea, Sri Lanka, Hong Kong, Bangladesh, India, Myanmar, and Armenia.
- (2) The Americas include Chile, Brazil, Panama, Colombia, the United States of America, Peru, Mexico, Argentina, Paraguay, Costa Rica, and Uruguay.
- (3) Europe includes the Netherlands, Germany, Lithuania, Poland, Belgium, Portugal, Greece, Russia, Italy, Serbia, and Malta.
- (4) Include the Middle East (such as the United Arab Emirates, Jordan, and Lebanon), Oceania (such as Australia), and Africa (such as South Africa, Egypt, and Tanzania).

12. FINANCIAL INFORMATION**(iv) Revenue by business activities, products, and geographical markets**

	FYE 2022		FYE 2023		FYE 2024	
	RM '000	%	RM '000	%	RM'000	%
Manufacturing of specialty food ingredients and food products	403,727	98.26	358,773	97.74	384,815	97.46
• Non-dairy creamers	304,664	74.15	246,579	67.17	249,008	63.06
- <i>Malaysia</i>	146,690	35.70	113,201	30.84	128,669	32.58
- <i>Asia</i>	132,094	32.15	117,479	32.00	106,972	27.09
- <i>Europe</i>	15,482	3.77	4,621	1.26	1,536	0.39
- <i>Others</i> ⁽¹⁾	10,398	2.53	11,278	3.07	11,831	3.00
• Functional lipid powders	50,660	12.33	60,637	16.52	75,281	19.07
- <i>Asia</i>	20,679	5.03	23,210	6.32	34,144	8.65
- <i>The Americas</i>	12,807	3.12	17,039	4.64	15,957	4.04
- <i>Europe</i>	9,445	2.30	10,143	2.77	12,262	3.11
- <i>Malaysia</i>	6,071	1.48	7,689	2.09	10,446	2.65
- <i>Others</i> ⁽²⁾	1,658	0.40	2,556	0.70	2,472	0.62
• Malt and cereal products	48,403	11.78	51,557	14.05	60,526	15.33
- <i>Malaysia</i>	29,553	7.19	28,884	7.87	44,103	11.17
- <i>Asia</i>	15,985	3.89	19,625	5.35	14,645	3.71
- <i>Others</i> ⁽³⁾	2,865	0.70	3,048	0.83	1,778	0.45
Supply of other food ingredients and food products ⁽⁴⁾	7,154	1.74	8,305	2.26	10,049	2.54
Total	410,881	100.00	367,078	100.00	394,864	100.00

Notes:

- (1) Include the Middle East, the Americas, Oceania, and Africa.
- (2) Include the Middle East, Oceania, and Africa.
- (3) Include Europe, the Middle East, and the Americas.
- (4) Include Malaysia and foreign markets such as Asia, the Americas, and Europe.

12. FINANCIAL INFORMATION**FYE 2023 compared to FYE 2022**

Our revenue decreased by RM43.80 million or 10.66% to RM367.08 million in FYE 2023 (FYE 2022: RM410.88 million), attributed to the decrease in revenue from our manufacturing segment.

(i) Manufacturing segment

Revenue from our manufacturing segment decreased by RM44.95 million or 11.13% to RM358.77 million in FYE 2023 (FYE 2022: RM403.73 million). This was attributed to the decrease in revenue from our non-dairy creamer range of products by RM58.09 million or 19.07% to RM246.58 million in FYE 2023 (FYE 2022: RM304.66 million). This was reflected in the decrease in sales volume of our non-dairy creamer range of products by 16.00% to 30,383 tonnes in FYE 2023 (FYE 2022: 36,171 tonnes), mainly attributed to reduced orders from our customers in Malaysia and lower export orders to Asia.

The decrease in revenue from our manufacturing segment was partially offset by the increase in revenue from our functional lipid powders by RM9.98 million or 19.69% to RM60.64 million in FYE 2023 (FYE 2022: RM50.66 million). This was reflected in the increase in sales volume of our functional lipid powders by 25.91% to 5,122 tonnes in FYE 2023 (FYE 2022: 4,068 tonnes), mainly attributed to higher export orders to the Americas and Asia, and increased orders from our customers in Malaysia.

(ii) Supply segment

Revenue from our supply segment increased by RM1.15 million or 16.09% to RM8.31 million in FYE 2023 (FYE 2022: RM7.15 million). This was mainly attributed to higher sales of coffee products, tea products, and oat-related products.

FYE 2024 compared to FYE 2023

Our revenue increased by RM27.79 million or 7.57% to RM394.86 million in FYE 2024 (FYE 2023: RM367.08 million), mainly attributed to the increase in revenue from our manufacturing segment.

(i) Manufacturing segment

Revenue from our manufacturing segment increased by RM26.04 million or 7.26% to RM384.81 million in FYE 2024 (FYE 2023: RM358.77 million). This was mainly attributed to the increase in revenue from our:

- (a) functional lipid powders by RM14.64 million or 24.15% to RM75.28 million in FYE 2024 (FYE 2023: RM60.64 million). This was reflected in the increase in sales volume of our functional lipid powders by 27.33% to 6,522 tonnes in FYE 2024 (FYE 2023: 5,122 tonnes), mainly attributed to higher export orders to Asia and increased orders from our customers in Malaysia; and
- (b) malt and cereal products by RM8.97 million or 17.40% to RM60.53 million in FYE 2024 (FYE 2023: RM51.56 million). This was reflected in the increase in sales volume of our malt and cereal products by 22.34% to 7,279 tonnes in FYE 2024 (FYE 2023: 5,950 tonnes), mainly attributed to increased orders from our customers in Malaysia.

12. FINANCIAL INFORMATION**(ii) Supply segment**

Revenue from our supply segment increased by RM1.74 million or 21.00% to RM10.05 million in FYE 2024 (FYE 2023: RM8.31 million). This was mainly attributed to higher sales of oat-related products.

12.3.3 Cost of sales**(i) Cost of sales by cost components**

	FYE 2022		FYE 2023		FYE 2024	
	RM '000	%	RM '000	%	RM'000	%
Material and product costs	293,290	87.45	250,339	83.43	260,022	82.48
Production overheads ⁽¹⁾	31,557	9.41	37,278	12.42	42,546	13.50
Labour costs	10,528	3.14	12,438	4.15	12,675	4.02
Total	335,375	100.00	300,055	100.00	315,243	100.00

Note:

- (1) Include utility expenses, depreciation of property, plant and equipment, and right-of-use assets, upkeep of machinery, and other factory overheads (such as handling materials, consumables, and rental expenses).

(ii) Cost of sales by business activities and products

	FYE 2022		FYE 2023		FYE 2024	
	RM '000	%	RM '000	%	RM'000	%
Manufacturing of specialty food ingredients and food products	329,596	98.28	293,392	97.78	306,970	97.38
• Non-dairy creamers	250,667	74.75	203,940	67.97	200,322	63.55
• Functional lipid powders	36,426	10.86	43,971	14.65	54,959	17.43
• Malt and cereal products	42,503	12.67	45,481	15.16	51,689	16.40
Supply of other food ingredients and food products ⁽¹⁾	5,779	1.72	6,663	2.22	8,273	2.62
Total	335,375	100.00	300,055	100.00	315,243	100.00

Note:

- (1) Include food ingredients and food products that we do not manufacture and that are sourced from third party suppliers, which are mainly (i) malt and cereal ingredients and products; (ii) coffee, tea and cocoa products; (iii) dairy and dairy alternatives; and (iv) sweeteners.

12. FINANCIAL INFORMATION

(a) Material and product costs

Material and product costs accounted for 87.45%, 83.43% and 82.48% of our total cost of sales for FYE 2022, FYE 2023 and FYE 2024 respectively. Our material and product costs comprise the following:

- input materials for our manufacturing segment, including oils and fats, sugars and sweeteners, dairy and dairy alternatives, grain-based ingredients and derivatives, functional additives, and other materials (such as flavouring, colouring agents, and nutritional ingredients);
- packaging materials; and
- finished goods for our supply segment, including (i) malt and cereal ingredients and products; (ii) coffee, tea and cocoa products; (iii) dairy and dairy alternatives; and (iv) sweeteners.

FYE 2023 compared to FYE 2022

For FYE 2023, material and product costs decreased by RM42.95 million or 14.64% to RM250.34 million (FYE 2022: RM293.29 million). This was mainly attributed to lower input materials used for our manufacturing segment arising from the decrease in sales volume of our non-dairy creamer range of products in FYE 2023.

FYE 2024 compared to FYE 2023

For FYE 2024, material and product costs increased by RM9.68 million or 3.87% to RM260.02 million (FYE 2023: RM250.34 million). This was mainly attributed to higher input materials used for our manufacturing segment arising from the increase in sales volume of our functional lipid powders as well as malt and cereal products in FYE 2024.

(b) Production overheads

Production overheads mainly comprise utility expenses, depreciation of property, plant and equipment, and right-of-use assets, upkeep of machinery, and other factory overheads (such as handling materials, consumables, and rental expenses).

FYE 2023 compared to FYE 2022

For FYE 2023, production overheads increased by RM5.72 million or 18.13% to RM37.28 million (FYE 2022: RM31.56 million). This was mainly attributed to higher utility expenses driven by increased electricity costs, which were due to higher electricity tariff rate following the adjustment under the Imbalance Cost Pass-Through mechanism, effective 1 January 2023. In addition, the higher production overheads were also due to increased upkeep of machinery related to the maintenance and repair works for our Spray Dryer Plant 1 and Spray Dryer Plant 2.

FYE 2024 compared to FYE 2023

For FYE 2024, production overheads increased by RM5.27 million or 14.13% to RM42.55 million (FYE 2023: RM37.28 million). This was mainly attributed to the recognition of depreciation of plant and equipment relating to our Spray Dryer Plant 3 following the commencement of our operations in Spray Dryer Plant 3 in FYE 2024. In addition, the higher production overheads were also due to increased utility expenses resulting from higher production output in FYE 2024. Please refer to Section 7.9 of this Prospectus for further details on our production output.

12. FINANCIAL INFORMATION

(c) Labour costs

Labour costs consist of salaries, wages, allowances, employee contributions, and other labour related costs relating to our operations to carry out quality assurance, warehouse and production, as well as cleaning and maintenance activities.

FYE 2023 compared to FYE 2022

For FYE 2023, labour costs increased by RM1.91 million or 18.14% to RM12.44 million (FYE 2022: RM10.53 million). This was mainly attributed to higher salaries and wages, and overtime costs arising from an increase in the headcount of our employees. Our warehouse and production workers have increased from 136 persons as at 31 December 2022 to 155 persons as at 31 December 2023, mainly to support the operations of our Spray Dryer Plant 1 and Spray Dryer Plant 2.

FYE 2024 compared to FYE 2023

For FYE 2024, labour costs increased by RM0.24 million or 1.91% to RM12.68 million (FYE 2023: RM12.44 million). This was mainly attributed to higher salaries and wages arising from an increase in the headcount of our employees. Our warehouse and production workers have increased from 155 persons as at 31 December 2023 to 164 persons as at 31 December 2024, mainly due to the commencement of operations of our Spray Dryer Plant 3 in FYE 2024.

12. FINANCIAL INFORMATION

12.3.4 GP and GP margin

(i) GP and GP margin by business activities and products

	FYE 2022			FYE 2023			FYE 2024		
	GP		GP margin	GP		GP margin	GP		GP margin
	RM '000	%	%	RM '000	%	%	RM'000	%	%
Manufacturing of specialty food ingredients and food products	74,131	98.18	18.36	65,381	97.55	18.22	77,845	97.77	20.23
• Non-dairy creamers	53,997	71.51	17.72	42,639	63.62	17.29	48,686	61.15	19.55
• Functional lipid powders	14,234	18.85	28.10	16,666	24.87	27.48	20,322	25.52	26.99
• Malt and cereal products	5,900	7.82	12.19	6,076	9.06	11.79	8,837	11.10	14.60
Supply of other food ingredients and food products ⁽¹⁾	1,375	1.82	19.22	1,642	2.45	19.77	1,776	2.23	17.67
Total	75,506	100.00	18.38	67,023	100.00	18.26	79,621	100.00	20.16

Note:

- (1) Include food ingredients and food products that we do not manufacture and that are sourced from third party suppliers, which are mainly (i) malt and cereal ingredients and products; (ii) coffee, tea and cocoa products; (iii) dairy and dairy alternatives; and (iv) sweeteners.

12. FINANCIAL INFORMATION**(ii) GP and GP margin by geographical markets**

	FYE 2022			FYE 2023			FYE 2024		
	GP		GP margin	GP		GP margin	GP		GP margin
	RM '000	%	%	RM '000	%	%	RM'000	%	%
Malaysia	28,465	37.70	15.03	24,243	36.17	15.36	36,188	45.45	18.77
Foreign markets	47,041	62.30	21.24	42,780	63.83	20.45	43,433	54.55	21.49
Asia ⁽¹⁾	30,640	40.58	18.15	30,745	45.87	19.15	31,026	38.97	19.86
The Americas ⁽²⁾	5,132	6.80	35.38	5,356	7.99	29.05	5,882	7.39	31.41
Europe ⁽³⁾	8,232	10.90	29.62	3,532	5.27	19.85	3,335	4.19	21.42
Others ⁽⁴⁾	3,037	4.02	29.26	3,147	4.70	25.23	3,190	4.00	27.65
Total	75,506	100.00	18.38	67,023	100.00	18.26	79,621	100.00	20.16

Notes:

- (1) Asia includes Taiwan, the Philippines, Türkiye, Vietnam, Indonesia, Thailand, China, Singapore, Pakistan, South Korea, Sri Lanka, Hong Kong, Bangladesh, India, Myanmar, and Armenia.
- (2) The Americas include Chile, Brazil, Panama, Colombia, the United States of America, Peru, Mexico, Argentina, Paraguay, Costa Rica, and Uruguay.
- (3) Europe includes the Netherlands, Germany, Lithuania, Poland, Belgium, Portugal, Greece, Russia, Italy, Serbia, and Malta.
- (4) Include the Middle East (such as the United Arab Emirates, Jordan, and Lebanon), Oceania (such as Australia), and Africa (such as South Africa, Egypt, and Tanzania).

12. FINANCIAL INFORMATION

FYE 2023 compared to FYE 2022

Our GP decreased by RM8.48 million or 11.23% to RM67.02 million in FYE 2023 (FYE 2022: RM75.51 million), attributed to the decrease in GP from our manufacturing segment. Our GP margin remained relatively consistent at 18.38% in FYE 2022 and 18.26% in FYE 2023.

(i) Manufacturing segment

GP

GP from our manufacturing segment decreased by RM8.75 million or 11.80% to RM65.38 million in FYE 2023 (FYE 2022: RM74.13 million). This was attributed to the decrease in GP from our non-dairy creamer range of products by RM11.36 million or 21.03% to RM42.64 million in FYE 2023 (FYE 2022: RM54.00 million). The decrease in GP from our non-dairy creamer range of products was also reflected in the decrease in revenue by 19.07% for this product range in FYE 2023.

The decrease in GP from our manufacturing segment was partially offset by the increase in GP from our functional lipid powders by RM2.43 million or 17.09% to RM16.67 million in FYE 2023 (FYE 2022: RM14.23 million). The increase in GP from our functional lipid powders was also reflected in the increase in revenue by 19.69% for this product range in FYE 2023.

GP margin

GP margin from our manufacturing segment remained relatively consistent at 18.36% in FYE 2022 and 18.22% in FYE 2023. The GP margin for our products is as follows:

- (a) GP margin from our non-dairy creamer range of products decreased marginally from 17.72% in FYE 2022 to 17.29% in FYE 2023, attributed to the decrease in our average selling price by 3.64%, while our average unit cost decreased by a lower percentage of 3.15%;
- (b) GP margin from our functional lipid powders decreased marginally from 28.10% in FYE 2022 to 27.48% in FYE 2023, attributed to the decrease in our average selling price by 4.93%, while our average unit cost decreased by a lower percentage of 4.12%; and
- (c) GP margin from our malt and cereal products decreased marginally from 12.19% in FYE 2022 to 11.79% in FYE 2023, attributed to the increase in our average unit cost by 8.03%, while our average selling price increased by a lower percentage of 7.53%.

(ii) Supply segment

GP from our supply segment increased by RM0.27 million or 19.42% to RM1.64 million in FYE 2023 (FYE 2022: RM1.38 million). This was mainly attributed to the increase in GP arising from higher sales of coffee products, tea products, and oat-related products.

GP margin from our supply segment improved slightly from 19.22% in FYE 2022 to 19.77% in FYE 2023. This was mainly attributed to the improvement in margin from oat-related products on the back of higher average selling price.

12. FINANCIAL INFORMATION

FYE 2024 compared to FYE 2023

Our GP increased by RM12.60 million or 18.80% to RM79.62 million in FYE 2024 (FYE 2023: RM67.02 million) while our GP margin increased from 18.26% in FYE 2023 to 20.16% in FYE 2024. The improvement in our GP and GP margin was mainly attributed to the increase in GP and GP margin from our manufacturing segment.

(i) Manufacturing segment

GP

GP from our manufacturing segment increased by RM12.46 million or 19.06% to RM77.85 million in FYE 2024 (FYE 2023: RM65.38 million). This was attributed to the increase in GP from our:

- (a) non-dairy creamer range of products by RM6.05 million or 14.18% to RM48.69 million in FYE 2024 (FYE 2023: RM42.64 million). This was mainly attributed to the lower average unit cost by 6.60% in FYE 2024 facilitated by economies of scale on the back of higher sales volume in FYE 2024;
- (b) functional lipid powders by RM3.66 million or 21.94% to RM20.32 million in FYE 2024 (FYE 2023: RM16.67 million). This was mainly attributed to higher sales from this product range as reflected in the increase in revenue by 24.15% in FYE 2024; and
- (c) malt and cereal products by RM2.76 million or 45.44% to RM8.84 million in FYE 2024 (FYE 2023: RM6.08 million). This was mainly attributed to higher sales from this product range as reflected in the increase in revenue by 17.40% in FYE 2024. In addition, the increase in GP from our malt and cereal products was also due to the lower average unit cost by 7.10% in FYE 2024 facilitated by economies of scale on the back of higher sales volume in FYE 2024.

GP margin

GP margin from our manufacturing segment improved from 18.22% in FYE 2023 to 20.23% in FYE 2024. This was attributed to the following:

- (a) GP margin from our non-dairy creamer range of products increased from 17.29% in FYE 2023 to 19.55% in FYE 2024, attributed to the lower average unit cost by 6.60% in FYE 2024 facilitated by economies of scale on the back of higher sales volume by 5.16% in FYE 2024; and
- (b) GP margin from our malt and cereal products increased from 11.79% in FYE 2023 to 14.60% in FYE 2024, attributed to the lower average unit cost by 7.10% in FYE 2024 facilitated by economies of scale on the back of higher sales volume by 22.34% in FYE 2024.

Meanwhile, the GP margin from our functional lipid powders remained relatively consistent at 27.48% in FYE 2023 and 26.99% in FYE 2024.

12. FINANCIAL INFORMATION**(ii) Supply segment**

GP from our supply segment increased by RM0.13 million or 8.16% to RM1.78 million in FYE 2024 (FYE 2023: RM1.64 million). This was mainly attributed to the increase in GP arising from the sales of cocoa powder.

GP margin from our supply segment decreased from 19.77% in FYE 2023 to 17.67% in FYE 2024. This was mainly attributed to the decrease in margin from oat-related products on the back of higher average unit costs.

12.3.5 Other income

Our other income for the FYE Under Review is set out below:

	FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%
• Amortisation of deferred income ⁽¹⁾	1,019	25.58	1,019	20.18	1,019	25.91
• Capital gains on short-term funds	222	5.57	-	-	725	18.43
• Insurance claims	12	0.30	736	14.58	644	16.37
• Finance income	404	10.14	989	19.59	490	12.46
• R&D income ⁽²⁾	142	3.57	233	4.61	431	10.96
• Scrap sales	256	6.43	253	5.01	408	10.37
• Gains on foreign exchange	1,693	42.51	1,662	32.92	-	-
• Negative goodwill ⁽³⁾	195	4.90	-	-	-	-
• Others ⁽⁴⁾	40	1.00	157	3.11	216	5.50
Total	3,983	100.00	5,049	100.00	3,933	100.00

Notes:

- (1) Refers to the amortisation of government grants received in 2018 amounting to RM8.68 million which were used to purchase plant and equipment. The grants are amortised over the useful lives of the related plant and equipment.
- (2) Mainly include the reimbursement of R&D costs incurred on behalf of our customers.
- (3) Refers to the excess of fair value of CFI BV's identified net assets over the purchase consideration paid to acquire 100.00% equity interest in CFI BV.
- (4) Others mainly include gains on disposal of property, plant and equipment, compensation received from vendors, and gain on derecognition of right-of-use assets.

FYE 2023 compared to FYE 2022

Our other income increased by RM1.07 million or 26.76% to RM5.05 million in FYE 2023 (FYE 2022: RM3.98 million). This was mainly attributed to the following:

- (a) increase of RM0.72 million in insurance claims received, mainly relating to the insurance claims received for the impact damage caused by the collapse of the racking system at our Kulim Factory; and
- (b) increase of RM0.59 million in finance income, mainly arising from higher interest rate and increased placement of short-term deposits in FYE 2023.

12. FINANCIAL INFORMATION**FYE 2024 compared to FYE 2023**

Our other income decreased by RM1.12 million or 22.10% to RM3.93 million in FYE 2024 (FYE 2023: RM5.05 million). This was mainly attributed to the absence of gains on foreign exchange in FYE 2024 compared to RM1.66 million in FYE 2023.

The decrease in other income was partially offset by the increase of RM0.73 million in capital gains on short-term funds arising from our investments in money market funds.

12.3.6 Selling and distribution expenses

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

	FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%
• Transportation charges ⁽¹⁾	14,632	75.34	8,491	53.57	10,574	57.01
• Consultancy fees ⁽²⁾	2,511	12.93	3,538	22.32	3,495	18.85
• Staff costs	1,163	5.99	1,507	9.51	1,656	8.93
• Marketing expenses ⁽³⁾	553	2.85	1,031	6.50	1,188	6.41
• Others ⁽⁴⁾	563	2.89	1,284	8.10	1,633	8.80
Total	19,422	100.00	15,851	100.00	18,546	100.00

Notes:

- (1) Refer to transportation charges for the delivery of goods to our customers, including air freight charges, sea freight charges, courier and local delivery charges, as well as handling charges.
- (2) Refer to consultancy and related fees charged for sales support services in foreign markets.
- (3) Include expenses for exhibition, advertisements, promotions, and the costs of product samples provided to our customers.
- (4) Others mainly include sales commission paid to external parties, travelling and entertainment expenses, handling-related fees, subscription fees for memberships and software, and profit-sharing amount allocated to a customer from products sold under a joint-development arrangement with that customer.

FYE 2023 compared to FYE 2022

Our selling and distribution expenses decreased by RM3.57 million or 18.39% to RM15.85 million in FYE 2023 (FYE 2022: RM19.42 million). This was mainly attributed to the decrease of RM6.14 million in transportation charges incurred for the delivery of goods to our domestic and foreign customers, which was reflected in the lower sales volume in FYE 2023. Further, the decrease in transportation charges was also due to lower sea freight rates, which was reflected in the decrease in our average sea freight cost per tonne by 56.64% to RM186 per tonne in FYE 2023.

The decrease in selling and distribution expenses was partially offset by the following:

- (a) increase of RM1.03 million in consultancy fees, attributed to higher consultancy and related fees charged for sales support services in foreign markets;

12. FINANCIAL INFORMATION

- (b) increase of RM0.48 million in marketing expenses, mainly attributed to higher exhibition expenses arising from participation in more trade exhibitions internationally in FYE 2023; and
- (c) increase of RM0.72 million in other selling and distribution expenses, mainly attributed to the profit-sharing amount allocated to a customer from products sold under a joint-development arrangement with that customer, as well as higher sales commission paid to an external party arising from increased sales to our customers in Sri Lanka.

FYE 2024 compared to FYE 2023

Our selling and distribution expenses increased by RM2.70 million or 17.00% to RM18.55 million in FYE 2024 (FYE 2023: RM15.85 million). This was mainly attributed to the increase of RM2.08 million in transportation charges incurred for the delivery of goods to our domestic and foreign customers, which was reflected in the higher sales volume in FYE 2024. Further, the increase in transportation charges was also due to higher sea freight rates, which was reflected in the increase in our average sea freight cost per tonne by 41.94% to RM264 per tonne in FYE 2024.

In addition, the increase in selling and distribution expenses was partially attributed to higher handling-related fees and sales commission.

12.3.7 Administrative and other expenses

Our administrative and other expenses for the FYE Under Review are set out below:

	FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%
Administrative expenses	7,829	98.70	10,747	95.35	11,361	92.30
• Staff costs	3,211	40.48	4,664	41.38	5,114	41.55
• Depreciation and upkeep	1,878	23.68	2,243	19.90	2,461	19.99
• Directors' remuneration and related expenses	715	9.01	697	6.18	698	5.67
• Insurance	323	4.07	523	4.64	676	5.49
• Office-related expenses	324	4.08	356	3.16	450	3.66
• Professional fees	271	3.42	517	4.59	429	3.49
• Travelling and entertainment expenses	403	5.08	382	3.39	367	2.98
• R&D expenses	204	2.57	421	3.74	351	2.85
• Rental and related expenses	81	1.02	288	2.56	310	2.52
• Tax and regulatory expenses	136	1.71	139	1.23	184	1.49
• Bank charges	180	2.27	231	2.05	210	1.71
• Others ⁽¹⁾	103	1.31	286	2.53	111	0.90
Other expenses ⁽²⁾	103	1.30	524	4.65	948	7.70
Total	7,932	100.00	11,271	100.00	12,309	100.00

12. FINANCIAL INFORMATION**Notes:**

- (1) Mainly include donation and stamp duty.
- (2) Include losses on foreign exchange, property, plant and equipment written off, fair value loss on other investments, and loss on disposal of plant and equipment.

FYE 2023 compared to FYE 2022**Administrative expenses**

Our administrative expenses increased by RM2.92 million or 37.27% to RM10.75 million in FYE 2023 (FYE 2022: RM7.83 million). This was mainly attributed to the following:

- (a) increase of RM1.45 million in staff costs, mainly due to higher salaries and wages arising from salary increments as well the increase in headcount of administrative staff from 40 persons as at 31 December 2022 to 44 as at 31 December 2023;
- (b) increase of RM0.37 million in depreciation and upkeep, mainly due to higher depreciation of right-of-use assets arising from higher rental for our Corporate Office;
- (c) increase of RM0.25 million in professional fees, mainly due to higher tax advisory fees and legal fees incurred in relation to banking facility used to purchase machinery and equipment;
- (d) increase of RM0.22 million in R&D expenses, mainly due to higher material and electricity costs incurred for our R&D activities in FYE 2023; and
- (e) increase of RM0.21 million in rental and related expenses, mainly due to the rental expenses incurred relating to the short-term lease of a residential unit.

Other expenses

Our other expenses increased by RM0.42 million or 408.74% to RM0.52 million in FYE 2023 (FYE 2022: RM0.10 million). This was mainly attributed to unrealised losses on foreign exchange of RM0.43 million arising from our bank balances and trade receivables balances denominated in USD, reflecting the depreciation of the USD against the RM towards the end of FYE 2023.

FYE 2024 compared to FYE 2023**Administrative expenses**

Our administrative expenses increased by RM0.61 million or 5.71% to RM11.36 million in FYE 2024 (FYE 2023: RM10.75 million). This was mainly attributed to the following:

- (a) increase of RM0.45 million in staff costs, mainly attributed to higher salaries and wages arising from an increase in headcount of administrative staff from 44 employees as at 31 December 2023 to 50 administrative staff as at 31 December 2024, as well as higher bonuses; and
- (b) increase of RM0.22 million in depreciation and upkeep, mainly pertaining to the recognition of depreciation of the building in which our Spray Dryer Plant 3 is located, following the commencement of its operations in FYE 2024.

12. FINANCIAL INFORMATION**Other expenses**

Our other expenses increased by RM0.42 million or 80.92% to RM0.95 million in FYE 2024 (FYE 2023: RM0.52 million). This was mainly attributed to an increase of RM0.51 million in losses on foreign exchange arising from realised losses relating to the collection of sales proceeds denominated in USD.

12.3.8 Net gain/(loss) on impairment of financial instruments

	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000
Net gain/(loss) on impairment of financial instruments	502	(415)	191

There was a net gain on impairment of financial instruments comprising trade receivables amounting to RM0.50 million in FYE 2022, which was attributed to the reversal of impairment losses previously recognised under general impairment. The net reversal of RM0.50 million of impairment losses on trade receivables was mainly contributed by improved credit risk profile of our customers, which led to a reduction in expected credit losses under the general impairment model.

There was a net loss on impairment of financial instruments comprising trade receivables amounting to RM0.42 million in FYE 2023, which was mainly attributed to the impairment of trade receivables from a customer with an outstanding balance past due of over 120 days related to the sale of non-dairy creamers, malt, and coffee products.

There was a net gain on impairment of financial instruments comprising trade receivables amounting to RM0.19 million in FYE 2024, which was attributed to the net reversal of impairment losses amounting to RM0.13 million that was previously recognised under general impairment, and recovery of outstanding balance from a customer amounting to RM0.06 million. The net reversal of RM0.13 million of impairment losses on trade receivables was mainly contributed by improved credit risk profile of our customers, which led to a reduction in expected credit losses under the general impairment model.

12.3.9 Finance costs

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

	FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%
Interest expense on:						
• term loans	1,061	37.10	866	31.36	1,422	47.40
• bankers' acceptances	1,504	52.59	1,651	59.80	1,247	41.57
• lease liabilities	280	9.79	202	7.32	189	6.30
• revolving credits	-	-	32	1.16	118	3.93
• hire purchase creditors	15	0.52	10	0.36	24	0.80
Total	2,860	100.00	2,761	100.00	3,000	100.00

12. FINANCIAL INFORMATION**FYE 2023 compared to FYE 2022**

Our finance costs decreased by RM0.10 million or 3.46% to RM2.76 million in FYE 2023 (FYE 2022: RM2.86 million). This was mainly attributed to the following:

- (a) decrease of RM0.20 million in interest expenses on term loans due to the repayment made in FYE 2023; and
- (b) decrease of RM0.08 million in interest expenses on lease liabilities, mainly due to lower balance of lease liabilities in FYE 2023 arising from the derecognition of a right-of-use asset pertaining to a residential unit, and lease payments made in FYE 2023.

The decrease in finance costs was partially offset by an increase of RM0.15 million in interest expenses on bankers' acceptances, mainly arising from the increase in interest rates.

FYE 2024 compared to FYE 2023

Our finance costs increased by RM0.24 million or 8.66% to RM3.00 million in FYE 2024 (FYE 2023: RM2.76 million). This was mainly attributed to the increase of RM0.56 million in interest expenses on term loans due to the drawdown in FYE 2024, which were used for the purchase of machinery and construction of our Spray Dryer Plant 4. In addition, this was partly attributed to the increase of RM0.09 million in interest expenses on revolving credits due to utilisation in FYE 2024 for working capital purposes.

The increase in finance costs was partially offset by the decrease of RM0.40 million in interest expenses on bankers' acceptances due to the net repayment of the said facility in FYE 2024.

12.3.10 PBT and PAT

	FYE 2022	FYE 2023	FYE 2024
PBT (RM'000)	49,777	41,774	49,890
PBT margin	12.11%	11.38%	12.63%
Tax expense (RM'000)	11,137	9,579	7,822
Effective tax rate	22.37%	22.93%	15.68%
PAT (RM'000)	38,640	32,195	42,068
PAT margin	9.40%	8.77%	10.65%

FYE 2023 compared to FYE 2022

Our PBT decreased by RM8.00 million or 16.08% to RM41.77 million in FYE 2023 (FYE 2022: RM49.78 million), while PBT margin decreased from 12.11% in FYE 2022 to 11.38% in FYE 2023. Similarly, our PAT decreased by RM6.45 million or 16.68% to RM32.20 million in FYE 2023 (FYE 2022: RM38.64 million), while PAT margin decreased from 9.40% in FYE 2022 to 8.77% in FYE 2023.

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The decrease in our PBT and PAT were mainly attributed to lower GP and higher administrative expenses in FYE 2023. This was partially offset by lower selling and distribution expenses in FYE 2023. Please refer to Sections 12.3.4, 12.3.6, and 12.3.7 of this Prospectus for further details on our GP, selling and distribution expenses, and administrative expenses, respectively.

For FYE 2022, our effective tax rate was 22.37%, which was lower than the statutory tax rate of 24.00%. This was mainly due to the tax effect arising from the following:

- (a) over-provision of current tax expense in the prior year of RM0.41 million, mainly arising from incentives not claimed as well as tax deductibility of bonus provision that was disregarded in FYE 2021;
- (b) over-provision of deferred tax expense in the prior year of RM0.34 million, mainly attributed to higher non-qualifying assets and tax written-down values in FYE 2021; and
- (c) non-taxable income of RM0.48 million, mainly comprising amortisation of deferred income, distribution income and capital gains from short-term funds, and unrealised gains on foreign exchange.

This was partially offset by non-deductible expenses of RM0.29 million, mainly comprising depreciation of non-qualifying assets, interest expense on loans and borrowings, and professional fees.

For FYE 2023, our effective tax rate was 22.93%, which was lower than the statutory tax rate of 24.00%. This was mainly due to the tax effect arising from the following:

- (a) tax incentive amounting to RM0.57 million in relation to the reinvestment allowance claimed for the capital expenditure incurred for our drum dryer for the production of baby cereal;
- (b) non-taxable income of RM0.57 million, mainly comprising amortisation of deferred income and distribution income from short-term funds; and
- (c) over-provision of current tax expense in prior year of RM0.15 million, mainly arising from tax deductibility of bonus provision that was disregarded in FYE 2022.

This was partially offset by unadjusted over-provision of deferred tax liabilities amounting to RM0.79 million.

FYE 2024 compared to FYE 2023

Our PBT increased by RM8.12 million or 19.43% to RM49.89 million in FYE 2024 (FYE 2023: RM41.77 million), while PBT margin increased from 11.38% in FYE 2023 to 12.63% in FYE 2024. Similarly, our PAT increased by RM9.87 million or 30.67% to RM42.07 million in FYE 2024 (FYE 2023: RM32.20 million), while PAT margin increased from 8.77% in FYE 2023 to 10.65% in FYE 2024.

The improvement in our PBT and PAT was mainly attributed to higher GP. This was partially offset by lower other income and higher selling and distribution expenses in FYE 2024. Please refer to Sections 12.3.4, 12.3.5, and 12.3.6 of this Prospectus for further details on our GP, other income, and selling and distribution expenses, respectively.

For FYE 2024, our effective tax rate was 15.68%, which was lower than the statutory tax rate of 24.00%. This was mainly due to the tax effect arising from the tax incentive of RM3.98 million in relation to the reinvestment allowance claimed for the capital expenditure incurred for our Spray Dryer Plant 3.

12. FINANCIAL INFORMATION

12.3.11 Significant factors materially affecting our operations and financial results

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

(i) Fluctuations in input materials prices and shortage of input materials

Our main input materials include palm-based and coconut-based oils and fats, glucose syrup (mainly made from corn), and acid casein. As these input materials are globally traded commodities, therefore it will be subject to fluctuation in global prices. Sustained price increases or adverse price fluctuations could lead to increased costs. If we are unable to pass on these price increases to our customers, it could negatively impact our financial performance.

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

(ii) Fluctuations in sea freight rates

We rely on sea freight for the delivery of products to our foreign customers and for the delivery of input materials sourced from our foreign suppliers. As such, sea freight rates have an impact on the overall costs of our business. For the FYE Under Review, our average sea freight cost per tonne decreased by 56.64% to RM186 per tonne in FYE 2023, and subsequently increased by 41.94% to RM264 per tonne in FYE 2024.

On 18 September 2025, the weekly sea freight rate for 40-foot equivalent unit ("FEU") containers was USD1,913 per FEU, down from its recent peak of USD5,937 per FEU on 18 July 2024 following the resolution of the Red Sea Crisis and the easing of conflicts in the Middle East. (Source: IMR report)

Any sustained increases of sea freight rates may increase our cost price which in turn may have an impact on our financial performance.

(iii) Impact of foreign exchange fluctuations

For the FYE Under Review, our revenue was derived from various geographical markets in various foreign countries in Asia, the Americas, Europe, the Middle East, Oceania and Africa, and most transactions were conducted in USD and EUR. Our revenue transacted in foreign currencies accounted for 53.83%, 57.13% and 51.12% of our total revenue for FYE 2022, FYE 2023 and FYE 2024 respectively.

In addition, we also purchased materials from foreign countries, and most transactions were conducted in USD and EUR. Our purchases transacted in foreign currencies accounted for 21.05%, 28.85% and 26.89% of our total purchases of materials for FYE 2022, FYE 2023 and FYE 2024 respectively.

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

12. FINANCIAL INFORMATION

Details of our realised and unrealised gains or losses on foreign exchange for the FYE Under Review are set out below:

	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000
Net realised gain/(loss) on foreign exchange	1,420	1,662	(931)
Net unrealised gain/(loss) on foreign exchange	273	(432)	(13)
Net gain/(loss) on foreign exchange	1,693	1,230	(944)

We do not have a hedging policy. As at the LPD, we have foreign currency hedging facilities to manage our exposure to fluctuations in foreign currencies. In addition, we have cross-currency profit rate swaps executed in conjunction with certain bankers' acceptances, which allow our Group to receive proceeds and settle these bankers' acceptances in RM. Further, we also maintain bank accounts in RM, USD, EUR, SGD, RMB and AUD, such that collections can be used to settle payments in the same currency where possible. To a certain extent, this provides a natural hedge against any fluctuations in foreign currency exchange rates. Please refer to Note 26.6.1 of the Accountants' Report set out in Section 13 of this Prospectus for further details on the foreign exchange risk.

(iv) Impact of interest rates

All of our loans and borrowings are interest-bearing obligations. Any hikes in interest rates would affect our financial performance. Our finance costs comprise interest expenses on hire purchase creditors, bankers' acceptances, revolving credits, and term loans that are granted by financial institutions. As at 31 December 2024, our total loans and borrowings were RM93.28 million, all of which are interest-bearing with RM54.62 million based on floating rates and RM38.66 million fixed rates. Hence, any increase in interest rates may impact our financial performance. For the FYE Under Review, our interest coverage ratio was 18.26 times, 15.77 times and 17.47 times for FYE 2022, FYE 2023 and FYE 2024 respectively.

The weighted effective interest rates of our loans and borrowings for the FYE Under Review were set out below:

		Weighted average effective interest rates per annum		
		As at 31	As at 31	As at 31
		December 2022	December 2023	December 2024
Fixed rate:				
Hire purchase creditors		2.10% - 4.53%	2.10% - 4.53%	2.10% - 4.46%
Bankers' acceptances		2.89% - 3.66%	3.53% - 3.79%	3.60% - 3.89%
Revolving credits		-	-	3.65%
Floating rate:				
Term loans		2.88% - 4.80%	4.45% - 4.65%	4.64% - 4.71%

(v) Impact of inflation

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

12. FINANCIAL INFORMATION**(vi) Government/economic/fiscal/monetary policies**

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

12.3.12 Liquidity and capital resources**(i) Working capital**

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

Based on our audited consolidated statement of financial position as at 31 December 2024, we have:

- (a) cash and cash equivalents of RM49.45 million;
- (b) working capital of RM87.46 million, being the difference between current assets of RM182.47 million and current liabilities of RM95.01 million; and
- (c) available banking facilities of RM106.00 million for working capital purposes, of which RM65.13 million has yet to be utilised.

After taking into consideration our Group's funding requirements for our capital expenditures amounting to RM55.14 million, repayment of bank borrowings, our existing level of cash and cash equivalents, the banking facilities currently available, expected cash flows to be generated from our operations, and the estimated net proceeds from the Public Issue, our Board is of the view that we have sufficient working capital for 12 months from the date of this Prospectus.

(ii) Cash flow

The following is our cash flow for the FYE Under Review based on our audited consolidated financial statements. This should be read in conjunction with the Accountants' Report in Section 13 of this Prospectus.

	Audited		
	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000
Net cash from operating activities	16,132	45,931	35,065
Net cash from / (used in) investing activities	10,778	(18,690)	(25,084)
Net cash from / (used in) financing activities	3,177	(19,536)	(4,207)
Net increase in cash and cash equivalents	30,087	7,705	5,774
Effect of exchange rate differences	9	32	(42)
Cash and cash equivalents at the beginning of the financial year	5,886	35,982	43,719
Cash and cash equivalent at the end of the financial year	35,982	43,719	49,451

12. FINANCIAL INFORMATION

All of our cash and cash equivalents are held in RM and foreign currencies including USD, EUR, SGD, RMB, and AUD. Save for any applicable financial covenants and requirements in the Act, there are no legal, financial or economic restrictions on our subsidiaries' ability to transfer funds to our Company in the form of cash dividends, loans or advances.

(a) Net cash from operating activities

FYE 2022

For FYE 2022, our net cash from operating activities was RM16.13 million after taking into account of the following:

- increase of RM24.03 million in inventories, mainly attributed to higher inventory of raw materials and finished goods as at 31 December 2022. This was due to increased purchases of materials for our manufacturing segment and a higher inventory of finished goods. In addition, the inventories as at 31 December 2022 also included malt and cereal products, following our acquisition of the malt and cereal products manufacturing business from Family Cereal in the first quarter of FYE 2022;
- increase of RM14.80 million in trade and other receivables, mainly attributed to higher outstanding trade receivables as at 31 December 2022 arising from the increase in sales in FYE 2022;
- increase of RM3.05 million in trade and other payables, mainly attributed to higher other payables for the purchase of plant and equipment, and upkeep and maintenance costs, as well as accruals for transportation charges and utilities as at 31 December 2022; and
- tax paid of RM9.09 million.

FYE 2023

For FYE 2023, our net cash from operating activities was RM45.93 million after taking into account of the following:

- decrease of RM10.25 million in inventories, mainly attributed to lower inventory of raw materials as at 31 December 2023. This was reflected in the decrease in purchases of materials from RM305.78 million in FYE 2022 to RM229.06 million in FYE 2023;
- decrease of RM7.15 million in trade and other payables, mainly attributed to lower outstanding trade payables as at 31 December 2023 arising from timely payments to our suppliers as well as decrease in purchases of materials in FYE 2023;
- decrease of RM1.14 million in trade and other receivables, mainly attributed to lower outstanding trade receivables as at 31 December 2023 arising from timely collections from our customers as well as decrease in sales in FYE 2023; and
- tax paid of RM11.29 million.

12. FINANCIAL INFORMATION

FYE 2024

For FYE 2024, our net cash from operating activities was RM35.07 million after taking into account of the following:

- increase of RM14.68 million in inventories, mainly attributed to higher inventory of raw materials and finished goods as at 31 December 2024. This was reflected in the increase in purchases of materials from RM229.06 million in FYE 2023 to RM258.83 million in FYE 2024;
- increase of RM8.57 million in trade and other receivables, mainly attributed to higher outstanding trade receivables as at 31 December 2024 arising from the increase in sales in FYE 2024;
- increase of RM2.96 million in trade and other payables, mainly attributed to higher other payables including deposits received from our customers. In addition, there were higher outstanding trade payables as at 31 December 2024 arising from increase in purchases of materials in FYE 2024; and
- tax paid of RM9.63 million.

(b) Net cash from / used in investing activities

FYE 2022

For FYE 2022, our net cash from investing activities was RM10.78 million. This was mainly attributed to RM37.84 million for the upliftment of short-term funds.

The net cash from investing activities was partially offset by RM27.94 million used for the purchase of property, plant and equipment, mainly comprising RM26.52 million of capital work-in-progress. This included the cost of purchase of machinery and construction of our Spray Dryer Plant 3 and Spray Dryer Plant 4, and the purchase of a baby cereal drum dryer.

FYE 2023

For FYE 2023, our net cash used in investing activities was RM18.69 million. This was mainly attributed to RM29.03 million used for the purchase of property, plant and equipment, mainly comprising RM26.66 million of capital work-in-progress. This included the cost of purchase of machinery and construction of our Spray Dryer Plant 3 and Spray Dryer Plant 4, and the upgrading works for our pilot vacuum belt dryer.

The net cash used in investing activities was partially offset by RM9.52 million for the upliftment of short-term funds.

FYE 2024

For FYE 2024, our net cash used in investing activities was RM25.08 million. This was mainly attributed to RM25.76 million used for the purchase of property, plant and equipment, mainly comprising RM23.98 million of capital work-in-progress. This included the cost of purchase of machinery and construction of our Spray Dryer Plant 3, Spray Dryer Plant 4, and the waste water treatment plant at our SJ Factory.

12. FINANCIAL INFORMATION

(c) Net cash from / used in financing activities**FYE 2022**

For FYE 2022, our net cash from financing activities was RM3.18 million. This was mainly attributed to the following:

- (a) drawdown of term loans amounting to RM11.93 million mainly for the purchase of machinery and construction of our Spray Dryer Plant 3, and the purchase of a baby cereal drum dryer; and
- (b) net drawdown of bankers' acceptances amounting to RM7.15 million for working capital purposes.

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

- (a) RM10.67 million used for repayment of term loans;
- (b) RM2.86 million used for interest payments; and
- (c) RM2.23 million used for payment of lease liabilities mainly pertaining to the renting of SJ Factory, SJ Warehouse and forklifts.

FYE 2023

For FYE 2023, our net cash used in financing activities was RM19.54 million. This was mainly attributed to the following:

- (a) RM13.11 million used for the net repayment of bankers' acceptances;
- (b) RM7.70 million used for dividend payments;
- (c) RM5.03 million used for repayment of term loans;
- (d) RM3.57 million used for interest payments; and
- (e) RM2.65 million used for payment of lease liabilities mainly pertaining to the renting of SJ Factory, SJ Warehouse, OCSB Warehouse and forklifts.

The net cash used in financing activities was partially offset by the drawdown of term loans amounting to RM12.69 million mainly for the purchase of machinery and construction of our Spray Dryer Plant 4 and Spray Dryer Plant 3.

FYE 2024

For FYE 2024, our net cash used in financing activities was RM4.21 million. This was mainly attributed to the following:

- (a) RM9.04 million used for the net repayment of bankers' acceptances;
- (b) RM6.50 million used for repayment of term loans;
- (c) RM6.00 million used for dividend payments;
- (d) RM3.73 million used for interest payments; and

12. FINANCIAL INFORMATION

- (e) RM3.00 million used for payment of lease liabilities mainly pertaining to the renting of SJ Factory, SJ Warehouse, OCSB Warehouse and forklifts.

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

- (a) drawdown of term loans amounting to RM18.78 million mainly to finance the purchase of machinery and construction of our Spray Dryer Plant 4; and
- (b) net drawdown of revolving credits amounting to RM5.50 million for working capital purposes.

(iii) Loans and borrowings

As at 31 December 2024, our Group's total loans and borrowings are as set out below:

Type of loans and borrowings ⁽¹⁾	As at 31 December 2024		
	Payable within 12 months	Payable after 12 months	Total
	RM'000	RM'000	RM'000
Term loans ⁽²⁾	7,867	46,754	54,621
Bankers' acceptances ⁽³⁾	32,656	-	32,656
Revolving credits ⁽³⁾	5,500	-	5,500
Hire purchase creditors ⁽⁴⁾	125	374	499
Total	46,148	47,128	93,276
Gearing ratio ⁽⁵⁾			0.51

Notes:

- (1) Refer to loans and borrowings from financial institutions.
- (2) Term loans were mainly used to finance the purchase of machinery and construction of our Spray Dryer Plant 4, Spray Dryer Plant 3, and Spray Dryer Plant 2, purchase of a baby cereal drum dryer and a vacuum belt dryer, as well as the construction of warehouse in our Kulim Factory.
- (3) Bankers' acceptances and revolving credits were used for working capital purposes.
- (4) Hire purchase was used to fund the purchase of motor vehicles.
- (5) Based on total loans and borrowings over total equity.

The currency profile of our loans and borrowings as at 31 December 2024 is denominated in RM.

12. FINANCIAL INFORMATION

As at 31 December 2024, all loans and borrowings are interest-bearing with RM54.62 million based on floating rates and RM38.66 million fixed rates. The maturity profile and average interest rates of our loans and borrowings as at 31 December 2024 are set out below:

		As at 31 December 2024			
	Weighted average effective interest rates	Within 1 Year	1-5 Years	Over 5 Years	Total
		RM'000	RM'000	RM'000	RM'000
Term loans	4.64% - 4.71%	7,867	23,958	22,796	54,621
Bankers' acceptances	3.60% - 3.89%	32,656	-	-	32,656
Revolving credits	3.65%	5,500	-	-	5,500
Hire purchase creditors	2.10% - 4.46%	125	374	-	499
Total		46,148	24,332	22,796	93,276

Our Group has not defaulted on any payment of either principal sums and/or interest in relation to the loans and borrowings for the FYE Under Review and from 1 January 2025 up to the LPD.

There is no seasonality in our loans and borrowings trend and save for the permitted purpose provided under the banking facilities, there is no restriction on the use of our committed facilities.

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

12.3.13 Key financial ratios

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

	FYE 2022	FYE 2023	FYE 2024
Trade receivables turnover period (days) ⁽¹⁾	48	43	46
Trade payables turnover period (days) ⁽²⁾	37	33	33
Inventories turnover period (days) ⁽³⁾	71	67	80
Current ratio (times) ⁽⁴⁾	1.33	1.60	1.92
Gearing ratio (times) ⁽⁵⁾	0.83	0.60	0.51

12. FINANCIAL INFORMATION**Notes:**

- (1) Based on closing trade receivables (net of impairment losses) of the respective financial years over total revenue, and multiplied by the number of days in the financial year.
- (2) Based on closing trade payables of the respective financial years over total cost of sales, and multiplied by the number of days in the financial year.
- (3) Based on closing inventories of the respective financial years over total cost of sales, and multiplied by the number of days in the financial year.
- (4) Based on current assets over current liabilities.
- (5) Based on total loans and borrowings over total equity.

(i) Trade receivables turnover period

	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000
Trade receivables	53,472	42,959	50,006
Revenue	410,881	367,078	394,864
Trade receivables turnover period (days) ⁽¹⁾	48	43	46

Note:

- (1) Based on closing trade receivables (net of impairment losses) of the respective financial years over total revenue, and multiplied by the number of days in the financial year.

We generally deal with our customers on credit term of 30 days to 60 days, which are granted to our customers after they are assessed and approved by our management on a case-by-case basis.

Our trade receivables turnover period decreased from 48 days as at 31 December 2022 to 43 days as at 31 December 2023, which fall within the credit term granted to our customers. The decrease was mainly due to timely collections from our customers.

Our trade receivables turnover period increased from 43 days as at 31 December 2023 to 46 days as at 31 December 2024, which fall within the credit term granted to our customers. The increase was mainly due to slower collections from our customers.

12. FINANCIAL INFORMATION

The ageing analysis of our Group's trade receivables as at 31 December 2024 is as follows:

	Past due				Total RM'000
	Not past due	1-30 days	31-90 days	More than 90 days	
	RM'000	RM'000	RM'000	RM'000	
Trade receivables	32,515	12,523	4,968	-	50,006
% of total trade receivables	65.02%	25.04%	9.94%	-	100.00%
Subsequent collections up to the LPD	32,515	12,521	4,863	-	49,899
Outstanding trade receivables as at the LPD	-	2	105	-	107
% of total trade receivables	-	*	0.21%	-	0.21%

Note:

* Insignificant amount

As at 31 December 2024, the impairment losses on trade receivables were RM0.52 million. Please refer to Note 26.4 of the Accountants' Report set out in Section 13 of this Prospectus for further details.

As at the LPD, we have collected approximately RM49.90 million or 99.79% of the total trade receivables which were outstanding as at 31 December 2024.

(ii) Trade payables turnover period

	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000
Trade payables	34,164	27,196	28,167
Cost of sales	335,375	300,055	315,243
Trade payables turnover period (days) ⁽¹⁾	37	33	33

Note:

(1) Based on closing trade payables of the respective financial years over total cost of sales, and multiplied by the number of days in the financial year.

Generally, the normal credit term granted by our suppliers range from 30 to 60 days.

Our trade payables turnover period decreased from 37 days as at 31 December 2022 to 33 days as at 31 December 2023, mainly due to timely payments to suppliers.

Our trade payables turnover period remained relatively consistent at 33 days as at 31 December 2023 and 31 December 2024.

12. FINANCIAL INFORMATION

The ageing analysis of our Group's trade payables as at 31 December 2024 is as follows:

	Not past due	Past due			Total
		1-30 days	31-90 days	More than 90 days	
	RM'000	RM'000	RM'000	RM'000	RM'000
Trade payables	18,482	9,196	374	115	28,167
% of total trade payables	65.62%	32.65%	1.33%	0.40%	100.00%
Subsequent payments up to the LPD	18,482	9,196	374	115	28,167
Outstanding trade payables as at the LPD	-	-	-	-	-
% of total trade payables	-	-	-	-	-

As at the LPD, we have settled all of the trade payables which were outstanding as at 31 December 2024.

(iii) Inventories turnover period

	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000
Closing inventories	65,003	54,812	69,274
• Raw materials	36,331	20,749	26,009
• Finished goods	28,672	34,063	43,265
Cost of sales	335,375	300,055	315,243
Inventories turnover period (days) ⁽¹⁾	71	67	80

Note:

- (1) Based on closing inventories of the respective financial years over total cost of sales, and multiplied by the number of days in the financial year.

Our inventories mainly comprise the following:

- (a) raw materials, including (i) input materials such as oils and fats, sugar and sweeteners, dairy and dairy alternatives, grain-based ingredients and derivatives, functional additives, and other materials (such as flavouring, colouring agents, and nutritional ingredients); and (ii) packaging materials; and
- (b) finished goods that we manufacture and pack.

Our inventories turnover period decreased from 71 days as at 31 December 2022 to 67 days as at 31 December 2023. This was mainly attributed to lower inventory of raw materials arising from lower purchases of materials in FYE 2023.

Our inventories turnover period increased from 67 days as at 31 December 2023 to 80 days as at 31 December 2024. This was mainly attributed to higher inventory of finished goods and raw materials arising from higher purchases of materials in FYE 2024.

12. FINANCIAL INFORMATION**(iv) Current ratio**

	Audited		
	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000
Current assets	165,777	152,300	182,469
Current liabilities	124,538	95,278	95,006
Current ratio (times) ⁽¹⁾	1.33	1.60	1.92

Note:

(1) Based on current assets over current liabilities.

Our current ratio increased from 1.33 times as at 31 December 2022 to 1.60 times as at 31 December 2023. This was mainly due to the decrease in current liabilities arising from:

- (a) absence of dividend payable as at 31 December 2023 compared to RM7.70 million as at 31 December 2022;
- (b) lower trade payables as at 31 December 2023, mainly attributed to timely payments to our suppliers and decrease in purchases of materials in FYE 2023; and
- (c) lower loans and borrowings as at 31 December 2023, mainly attributed to the repayment of bankers' acceptances.

Our current ratio further increased from 1.60 times as at 31 December 2023 to 1.92 times as at 31 December 2024. This was mainly due to the increase in current assets arising from:

- (a) higher inventories of finished goods and raw materials as at 31 December 2024, mainly attributed to the increase in purchases of materials in FYE 2024;
- (b) higher trade receivables as at 31 December 2024, mainly attributed to the increase in sales in FYE 2024; and
- (c) increase in cash and cash equivalents from RM43.72 million as at 31 December 2023 to RM49.45 million as at 31 December 2024.

12. FINANCIAL INFORMATION**(v) Gearing ratio**

	Audited		
	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000
Loans and borrowings ⁽¹⁾	89,801	84,185	93,276
- Term loans	34,686	42,343	54,621
- Hire purchase creditors	307	147	499
- Bankers' acceptances	54,808	41,695	32,656
- Revolving credits	-	-	5,500
Total equity	108,011	140,217	181,501
Gearing ratio (times) ⁽²⁾	0.83	0.60	0.51

Notes:

(1) Refer to loans and borrowings from financial institutions.

(2) Based on total loans and borrowings over total equity.

Our gearing ratio decreased from 0.83 times as at 31 December 2022 to 0.60 times as at 31 December 2023. This was mainly due to the increase in reserves from RM98.01 million as at 31 December 2022 to RM130.22 million as at 31 December 2023 arising from higher retained earnings.

Our gearing ratio further decreased from 0.60 times as at 31 December 2023 to 0.51 times as at 31 December 2024. This was mainly due to the increase in reserves from RM130.22 million as at 31 December 2023 to RM171.50 million as at 31 December 2024 arising from higher retained earnings and revaluation reserve.

12.3.14 Capital expenditure and divestitures**Capital expenditure**

Our capital expenditure for the FYE Under Review and from 1 January 2025 up to the LPD is as set out below:

	FYE 2022	FYE 2023	FYE 2024	1 January 2025 and up to LPD
	RM'000	RM'000	RM'000	RM'000
Capital work-in-progress	26,523	26,664	23,981	13,369
Motor vehicles	262	96	821	-
Furniture, fittings and equipment	484	795	526	221
Buildings and building improvements	526	136	453	15
Plant and equipment	247	621	378	107
Computer equipment	102	723	168	30
Total	28,144	29,035	26,327	13,742

12. FINANCIAL INFORMATION**FYE 2022**

For FYE 2022, our capital expenditure of RM28.14 million mainly comprised RM26.52 million used for capital work-in-progress. This included the cost of purchase of machinery and construction of our Spray Dryer Plant 3 and Spray Dryer Plant 4 at our Kulim Factory, and the purchase of a baby cereal drum dryer for our SJ Factory.

FYE 2023

For FYE 2023, our capital expenditure of RM29.04 million mainly comprised RM26.66 million used for the capital work-in-progress. This included the cost of purchase of machinery and construction of our Spray Dryer Plant 3 and Spray Dryer Plant 4 at our Kulim Factory, and the upgrading works for our pilot vacuum belt dryer at our innovation centre in SJ Factory.

FYE 2024

For FYE 2024, our capital expenditure of RM26.33 million mainly comprised RM23.98 million used for the capital work-in-progress. This included the cost of purchase of machinery and construction of our Spray Dryer Plant 3 and Spray Dryer Plant 4 at our Kulim Factory, and the waste water treatment plant at our SJ Factory.

1 January 2025 and up to the LPD

Our capital expenditure between 1 January 2025 and up to the LPD of RM13.74 million mainly comprised RM13.37 million used for the capital work-in-progress. This included the cost of purchase of machinery and construction for our Spray Dryer Plant 4 at our Kulim Factory.

Capital divestiture

Our capital divestiture for the FYE Under Review and from 1 January 2025 up to the LPD is as set out below:

	FYE 2022	FYE 2023	FYE 2024	1 January 2025 and up to LPD
	RM'000	RM'000	RM'000	RM'000
Capital work-in-progress	-	-	34	-
Furniture, fittings and equipment	148	13	-	-
Plant and equipment	100	-	-	-
Computer equipment	6	-	-	-
Total	254	13	34	-

For the FYE Under Review and from 1 January 2025 up to the LPD, our capital divestiture mainly comprised the following:

- (i) furniture, fittings and equipment including a racking system and a fully electric stacker; and
- (ii) plant and equipment including an air compressor.

12. FINANCIAL INFORMATION**12.3.15 Material commitment for capital expenditure**

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

	Capital commitment	Source of funds	
		Internally generated funds / loans and borrowings	Proceeds from the Public Issue
	RM'000	RM'000	RM'000
Approved and/or contracted for:			
Property, plant and equipment ⁽¹⁾	11,015	11,015	-
Approved but not contracted for:			
Establishment of a New Factory ⁽²⁾	[●]	12,000	[●]
Purchase of new machinery and equipment for our Kulim Factory and New Factory ⁽³⁾	[●]	5,000	[●]
Investment in IT and automation systems for our Kulim Factory, OCSB Warehouse, and New Factory ⁽⁴⁾	[●]	1,000	[●]
Investment in R&D infrastructure for our innovation centre in SJ Factory ⁽⁵⁾	5,000	5,000	-
Total	[●]	34,015	[●]

Notes:

- (1) Mainly include capital commitments for our Spray Dryer Plant 4 at our Kulim Factory.
- (2) The total estimated cost for establishing a New Factory is RM[●] million. As at the LPD, we have yet to incur any capital expenditure.
- (3) The total estimated cost for the purchase of new machinery and equipment is RM[●] million. As at the LPD, we have yet to incur any capital expenditure.
- (4) The total estimated cost for the investment in IT and automation systems is RM[●] million. As at the LPD, we have yet to incur any capital expenditure.
- (5) The total estimated cost for the investment in R&D infrastructure for the expansion of our product range is RM5.00 million. As at the LPD, we have yet to incur any capital expenditure.

12. FINANCIAL INFORMATION

12.3.16 Trend information

Save as disclosed in this Prospectus, and to our Board's knowledge and belief, there are no other known factors, trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our business, liquidity or capital resources, financial condition, and results of operations or make our historical consolidated financial statements not indicative of our future financial performance and position.

12.3.17 Treasury policies and objectives

Our Group's operations have been funded by shareholders' equity, cash generated from our operations, external sources of funds and credit extended by our suppliers. The external sources of funds mainly include loans and borrowings. The normal credit terms granted by our suppliers range from 30 to 60 days.

The interest rates for our loans and borrowings are based on the market rates prevailing at the dates of the respective transactions.

The main objective of our capital management is to ensure a sustainable shareholders' equity to support and grow our business in order to maximise our shareholders' value.

12.4 ORDER BOOK

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

12.5 DIVIDEND POLICY

We target a payout ratio of at least 30.0% of our PAT attributable to owners of our Company for each financial year on a consolidated basis. Our ability to declare and pay dividends is subject to our Board's discretion. Our Directors will take into consideration, amongst others, the following factors when recommending or declaring any dividends:

- (i) availability of retained earnings;
- (ii) our profitability and cash flow position;
- (iii) our capital expenditure and strategic investment requirements;
- (iv) our working capital needs and debt servicing obligations;
- (v) the prevailing economic and market conditions; and
- (vi) any other relevant regulatory and contractual constraints.

As at the LPD, save for any applicable financial covenants and the Act, and subject to the availability of distributable profits and reserves, there are no dividend restrictions imposed on us or our Subsidiaries.

12. FINANCIAL INFORMATION

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

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

Notes:

(1) Paid on 18 August 2023.

(2) Paid on 26 December 2024.

(3) Computed as dividends declared divided by PAT.

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

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

13. ACCOUNTANTS' REPORT

Custom Food Holding Berhad
(Registration No. 202501015766 (1617181-P))
(Incorporated in Malaysia)

**Accountants' Report on the
Financial Statements**



13. ACCOUNTANTS' REPORT**Custom Food Holding Berhad**

(Registration No. 202501015766 (1617181-P))
(Incorporated in Malaysia)

Introduction

Custom Food Holding Berhad (the "Company") was incorporated as Custom Food Holding Sdn. Bhd. on 14 April 2025 as a private company and subsequently converted to a public company on 28 July 2025 for the purpose of a restructuring exercise, as part of the listing scheme in relation to the proposed listing of and quotation for the entire enlarged issued share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Proposed Listing"), that will result in the Company becoming the holding company of Custom Food Ingredients Sdn. Bhd. ("CFI"). The restructuring will be accounted for using book value accounting in the consolidated financial statements of the Company for the period ending 31 December 2025. For the purpose of these financial statements, as the Company was incorporated subsequent to the latest reporting period presented (i.e. 31 December 2024), the financial information contained in this set of financial statements and the auditors' report thereon, relate solely to CFI and its subsidiary only ("CFI Group").

The financial statements of CFI Group have been prepared in connection with the Proposed Listing and for no other purpose.

The holding company as disclosed in Notes 12, 15 and 24 to these financial statements relates to the existing holding company of CFI before the restructuring exercise, Oriental Concept Sdn. Bhd..

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13. ACCOUNTANTS' REPORT**Custom Food Holding Berhad**

(Registration No. 202501015766 (1617181-P))

(Incorporated in Malaysia)

Consolidated statement of financial position

	Note	31.12.2024 RM	31.12.2023 RM	31.12.2022 RM
Assets				
Property, plant and equipment	3	134,772,783	118,896,639	96,323,582
Right-of-use assets	4	19,808,323	13,978,939	19,333,289
Other investments	6	122,828	151,448	-
Total non-current assets		154,703,934	133,027,026	115,656,871
Inventories	7	69,273,806	54,811,646	65,003,274
Trade and other receivables	8	62,422,620	53,678,606	55,201,900
Current tax assets		1,321,959	90,550	71,389
Other investments	6	-	-	9,518,811
Cash and cash equivalents	9	49,450,769	43,719,406	35,981,901
Total current assets		182,469,154	152,300,208	165,777,275
Total assets		337,173,088	285,327,234	281,434,146
Equity				
Share capital	10	10,000,000	10,000,000	10,000,000
Reserves	11	171,501,285	130,217,324	98,010,663
Total equity attributable to owners of CFI		181,501,285	140,217,324	108,010,663
Liabilities				
Loans and borrowings	12	47,128,724	37,208,814	29,801,601
Lease liabilities		969,669	1,723,860	7,574,104
Deferred tax liabilities	13	8,889,215	6,202,082	5,793,457
Deferred income	14	3,678,275	4,697,112	5,715,950
Total non-current liabilities		60,665,883	49,831,868	48,885,112



13. ACCOUNTANTS' REPORT**Consolidated statement of financial position (continued)**

	Note	31.12.2024 RM	31.12.2023 RM	31.12.2022 RM
Loans and borrowings	12	46,147,338	46,976,269	59,999,553
Lease liabilities		2,553,382	3,074,171	2,479,029
Current tax liabilities		-	1,624,136	3,727,723
Trade and other payables	15	46,305,200	43,603,466	58,332,066
Total current liabilities		<u>95,005,920</u>	<u>95,278,042</u>	<u>124,538,371</u>
Total liabilities		<u>155,671,803</u>	<u>145,109,910</u>	<u>173,423,483</u>
Total equity and liabilities		<u>337,173,088</u>	<u>285,327,234</u>	<u>281,434,146</u>

The notes on pages 13 to 56 are an integral part of these financial statements.



13. ACCOUNTANTS' REPORT**Custom Food Holding Berhad**

(Registration No. 202501015766 (1617181-P))

(Incorporated in Malaysia)

Consolidated statement of profit or loss and other comprehensive income

	Note	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM
Revenue	16	394,863,651	367,078,297	410,880,960
Cost of sales		(315,242,736)	(300,055,396)	(335,375,185)
Gross profit		79,620,915	67,022,901	75,505,775
Other income		3,933,389	5,049,419	3,983,227
Selling and distribution expenses		(18,545,964)	(15,850,773)	(19,421,867)
Administrative expenses		(11,360,942)	(10,747,329)	(7,828,704)
Net gain/(loss) on impairment of financial instruments	17	191,166	(414,785)	502,289
Other expenses		(947,804)	(524,173)	(103,353)
Results from operating activities	17	52,890,760	44,535,260	52,637,367
Finance costs	18	(3,000,048)	(2,761,442)	(2,860,088)
Profit before tax		49,890,712	41,773,818	49,777,279
Tax expense	19	(7,822,433)	(9,579,360)	(11,137,034)
Profit for the year		42,068,279	32,194,458	38,640,245
Other comprehensive (expense)/income, net of tax				
Items that will not be reclassified subsequently to profit or loss				
Revaluation of:				
- property, plant and equipment		(309,486)	-	-
- right-of-use assets		5,534,413	-	-
	20	5,224,927	-	-



13. ACCOUNTANTS' REPORT**Consolidated statement of profit or loss and other comprehensive income (continued)**

	Note	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM
Item that is or may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operation	20	(9,245)	12,203	8,460
Total other comprehensive income for the year, net of tax		<u>5,215,682</u>	<u>12,203</u>	<u>8,460</u>
Total comprehensive income for the year		<u>47,283,961</u>	<u>32,206,661</u>	<u>38,648,705</u>
Basic earnings per ordinary share (RM)	21	<u>4.21</u>	<u>3.22</u>	<u>3.86</u>
Diluted earnings per ordinary share (RM)	21	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

The notes on pages 13 to 56 are an integral part of these financial statements.



13. ACCOUNTANTS' REPORT**Custom Food Holding Berhad**

(Registration No. 202501015766 (1617181-P))

(Incorporated in Malaysia)

Consolidated statement of changes in equity

	Attributable to owners of CFI				
	Non-distributable		Distributable		
	Share capital RM	Translation reserve RM	Revaluation reserve RM	Retained earnings RM	Total equity RM
At 1 January 2022	10,000,000	-	5,735,626	61,326,332	77,061,958
Total other comprehensive income for the year	-	8,460	-	-	8,460
- Foreign currency translation differences for foreign operation	-	-	-	38,640,245	38,640,245
Profit for the year	-	8,460	-	38,640,245	38,648,705
Total comprehensive income for the year	-	8,460	-	38,640,245	38,648,705
Distribution to and total transactions with owners of CFI	-	-	-	(7,700,000)	(7,700,000)
- Dividend to owners of CFI (Note 22)	-	-	(111,070)	111,070	-
Realisation of revaluation surplus	-	-	-	-	-
At 31 December 2022/1 January 2023	10,000,000	8,460	5,624,556	92,377,647	108,010,663
Total other comprehensive income for the year	-	12,203	-	-	12,203
- Foreign currency translation differences for foreign operation	-	-	-	32,194,458	32,194,458
Profit for the year	-	12,203	-	32,194,458	32,206,661
Total comprehensive income for the year	-	12,203	-	32,194,458	32,206,661
Reversal of realisation of revaluation surplus	-	-	111,070	(111,070)	-
Reversal of revaluation surplus	-	-	(259,081)	259,081	-
At 31 December 2023	10,000,000	20,663	5,476,545	124,720,116	140,217,324
	Note 10		Note 11		

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13. ACCOUNTANTS' REPORT**Consolidated statement of changes in equity (continued)**

	Attributable to owners of CFI				Total equity RM
	Share capital RM	Non-distributable Translation reserve RM	Distributable Revaluation reserve RM	Retained earnings RM	
At 1 January 2024	10,000,000	20,663	5,476,545	124,720,116	140,217,324
Foreign currency translation differences for foreign operation	-	(9,245)	-	-	(9,245)
Revaluation of:					
- property, plant and equipment	-	-	(309,486)	-	(309,486)
- right-of-use assets	-	-	5,534,413	-	5,534,413
Total other comprehensive (expense)/income for the year	-	(9,245)	5,224,927	-	5,215,682
Profit for the year	-	-	-	42,068,279	42,068,279
Total comprehensive (expense)/income for the year	-	(9,245)	5,224,927	42,068,279	47,283,961
Distribution to and total transactions with owners of CFI					
- Dividend to owners of CFI (Note 22)	-	-	-	(6,000,000)	(6,000,000)
At 31 December 2024	10,000,000	11,418	10,701,472	160,788,395	181,501,285
	Note 10		Note 11		

The notes on pages 13 to 56 are an integral part of these financial statements.



13. ACCOUNTANTS' REPORT**Custom Food Holding Berhad**

(Registration No. 202501015766 (1617181-P))

(Incorporated in Malaysia)

Consolidated statement of cash flows

	Note	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM
Cash flows from operating activities				
Profit before tax		49,890,712	41,773,818	49,777,279
Adjustments for:				
Depreciation of:				
- Property, plant and equipment	3	10,550,607	7,236,409	7,762,520
- Right-of-use assets	4	3,177,796	2,860,053	2,506,214
Amortisation of deferred income	14	(1,018,837)	(1,018,838)	(1,018,838)
(Gain)/Loss on:				
- Disposal of plant and equipment		(143,000)	8,527	(47,032)
- Derecognition of right-of-use assets	17	-	(108,885)	(11,882)
Net impairment (gain)/loss on financial instruments	17	(191,166)	414,785	(502,289)
Interest expense	18	3,000,048	2,761,442	2,860,088
Interest income	17	(490,221)	(988,505)	(403,531)
Negative goodwill	17	-	-	(195,194)
Plant and equipment written off	17	189,552	22,860	269,877
Fair value loss on other investments		28,620	15,502	-
Dividend income		(8,586)	(4,055)	-
Operating profit before changes in working capital		64,985,525	52,973,113	60,997,212
Change in inventories		(14,682,119)	10,254,794	(24,033,875)
Change in trade and other receivables		(8,566,700)	1,140,611	(14,798,121)
Change in trade and other payables		2,961,357	(7,149,636)	3,052,692
Cash generated from operations		44,698,063	57,218,882	25,217,908
Tax paid		(9,633,434)	(11,287,506)	(9,085,484)
Net cash from operating activities		35,064,629	45,931,376	16,132,424



13. ACCOUNTANTS' REPORT

Consolidated statement of cash flows (continued)

	Note	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM
Cash flows from investing activities				
Purchase of property, plant and equipment	A	(25,759,891)	(29,034,529)	(27,944,221)
Interest received		490,221	988,505	403,531
Proceeds from disposal of plant and equipment		177,422	430	151,215
Cash inflow arising from acquisition of a subsidiary		-	-	322,865
Acquisition of other investments		-	(166,950)	-
Dividend received		8,586	4,055	-
Uplift of short-term funds		-	9,518,811	37,844,016
Net cash (used in)/from investing activities		(25,083,662)	(18,689,678)	10,777,406
Cash flows from financing activities				
Interest paid	18	(3,731,100)	(3,568,196)	(2,860,088)
Drawdown of term loans		18,778,413	12,686,276	11,926,921
Repayment of term loans		(6,500,296)	(5,029,458)	(10,669,603)
Repayment to hire purchase creditors		(215,060)	(159,708)	(137,113)
Changes in other bank borrowings		(3,539,078)	(13,113,181)	7,151,045
Payment of lease liabilities		(3,000,038)	(2,651,920)	(2,233,888)
Dividend paid		(6,000,000)	(7,700,000)	-
Net cash (used in)/from financing activities		(4,207,159)	(19,536,187)	3,177,274
Net increase in cash and cash equivalents		5,773,808	7,705,511	30,087,104
Effect of exchange rate fluctuation on cash and cash equivalents		(42,445)	31,994	8,460
Cash and cash equivalents at 1 January		43,719,406	35,981,901	5,886,337
Cash and cash equivalents at 31 December	9	49,450,769	43,719,406	35,981,901



13. ACCOUNTANTS' REPORT**Consolidated statement of cash flows (continued)****Cash outflows for leases as lessee**

	Note	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM
Included in net cash from operating activities				
Payment relating to short-term leases	17	1,420,548	879,538	141,657
Included in net cash (used in)/from financing activities				
Interest paid in relation to lease liabilities	18	189,438	201,890	280,338
Payment of lease liabilities		3,000,038	2,651,920	2,233,888
Total cash outflows for leases		4,610,024	3,733,348	2,655,883



13. ACCOUNTANTS' REPORT**Consolidated statement of cash flows (continued)****Reconciliation of movements of liabilities to cash flows arising from financing activities**

	Term loans RM	Hire purchase creditors RM	Other bank borrowings RM	Lease liabilities RM	Total liabilities from financing activities RM
At 1 January 2022	33,428,923	244,064	47,656,917	2,161,531	83,491,435
Drawdown of term loans/Addition of new leases	11,926,921	200,000	-	10,289,356	22,416,277
Derecognition*	-	-	-	(163,866)	(163,866)
Net changes from financing activities	(10,669,603)	(137,113)	7,151,045	(2,233,888)	(5,889,559)
At 31 December 2022/1 January 2023	34,686,241	306,951	54,807,962	10,053,133	99,854,287
Drawdown of term loans/Addition of new leases	12,686,276	-	-	5,096,356	17,782,632
Derecognition*	-	-	-	(7,699,538)	(7,699,538)
Net changes from financing activities	(5,029,458)	(159,708)	(13,113,181)	(2,651,920)	(20,954,267)
At 31 December 2023/1 January 2024	42,343,059	147,243	41,694,781	4,798,031	88,983,114
Drawdown of term loans/Addition of new leases	18,778,413	567,000	-	-	19,345,413
Remeasurement#	-	-	-	1,725,058	1,725,058
Net changes from financing activities	(6,500,296)	(215,060)	(3,539,078)	(3,000,038)	(13,254,472)
At 31 December 2024	54,621,176	499,183	38,155,703	3,523,051	96,799,113

* Derecognition due to early termination of lease contracts.

Remeasurement due to extension of lease contracts.



13. ACCOUNTANTS' REPORT**Consolidated statement of cash flows (continued)****A. Purchase of property, plant and equipment**

CFI Group acquired property, plant and equipment as follows:

	Note	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM
Purchase of property, plant and equipment	3	26,326,891	29,034,529	28,144,221
Less: Acquired by means of hire purchase arrangements		(567,000)	-	(200,000)
Balance paid by cash		<u>25,759,891</u>	<u>29,034,529</u>	<u>27,944,221</u>

The notes on pages 13 to 56 are an integral part of these financial statements.



13. ACCOUNTANTS' REPORT**Custom Food Holding Berhad**

(Registration No. 202501015766 (1617181-P))
(Incorporated in Malaysia)

Notes to the financial statements

Custom Food Holding Berhad (the "Company") is a public limited company, incorporated and domiciled in Malaysia. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business

Lot 24, Jalan Perusahaan 2B
Kawasan Perusahaan Kulim
09000 Kulim
Kedah Darul Aman

Registered office

No. D-09-02
Level 9, EXSIM Tower
Millerz Square @ Old Klang Road, Megan Legasi
No. 357, Jalan Kelang Lama
58000 Kuala Lumpur
Wilayah Persekutuan

The Company is principally engaged in investment holding activities, whilst CFI is principally engaged in manufacture and supply of specialty food ingredients and food products whilst the principal activities of its subsidiary is as stated in Note 5 to the financial statements.

The ultimate holding company of CFI during the financial year was Oriental Concept Sdn. Bhd., a company incorporated in Malaysia.

1. Basis of preparation**(a) Statement of compliance**

The financial statements of CFI and its subsidiary ("CFI Group") have been prepared in connection with the proposed listing of and quotation for the entire enlarged issued share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad ("Proposed Listing") and for no other purposes.

The consolidated financial statements of CFI for the financial years ended 31 December 2024, 31 December 2023 and 31 December 2022 have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards") and IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").



13. ACCOUNTANTS' REPORT

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

The following are accounting standards, interpretation and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by CFI Group:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements - Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

CFI Group plans to apply the abovementioned accounting standards, interpretations and amendments where applicable, in the respective financial years when the accounting standards and amendments become effective.

The initial application of the above accounting standards, interpretations and amendments is not expected to have any material financial impact to the current period and prior period financial statements of CFI Group.



13. ACCOUNTANTS' REPORT**1. Basis of preparation (continued)****(b) Basis of measurement**

The consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured based on the measurement bases stated below:

Items	Measurement bases
Property, plant and equipment - buildings	Fair value
Right-of-use assets - land	Fair value
Other investments at fair value through profit or loss	Fair value

(c) Functional and presentation currencies

These financial statements are presented in Ringgit Malaysia ("RM"), which is CFI's functional currency. All financial information is presented in RM, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in Note 3.4 - valuation of property, plant and equipment and Note 4.3 - valuation of right-of-use assets.

2. Changes in material accounting policies**2.1 Classification of liabilities as current or non-current and non-current liabilities with covenants**

CFI Group has adopted the amendments to MFRS 101, *Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants* from 1 January 2024. The amendments clarify certain requirement for determining whether a liability should be classified as current or non-current and require new disclosures for non-current loan liabilities that are subject to covenants within 12 months after the reporting period (Note 12.2).

CFI Group has analysed all existing borrowings and determined that the new amendments did not result in a change in the classification of CFI Group's borrowings. There is also no retrospective impact on the comparative consolidated statement of financial position.



13. ACCOUNTANTS' REPORT**3. Property, plant and equipment**

	At valuation	At cost						
	Buildings RM	Buildings and building improvements RM	Furniture, fittings and equipment RM	Computer equipment RM	Plant and equipment RM	Motor vehicles RM	Capital work-in- progress RM	Total RM
Cost								
At 1 January 2022	21,293,469	2,288,544	5,944,507	425,139	60,619,046	533,951	21,201,604	112,306,260
Additions	-	525,600	483,672	103,419	246,605	262,354	26,522,571	28,144,221
Disposals	-	-	(148,458)	(5,970)	(100,000)	-	-	(254,428)
Written off	-	-	(51,449)	-	(26,903)	-	(207,558)	(285,910)
Reclassifications	-	2,985	37,097	2,250	175,394	-	(217,726)	-
At 31 December 2022/ 1 January 2023	21,293,469	2,817,129	6,265,369	524,838	60,914,142	796,305	47,298,891	139,910,143
Additions	-	136,280	795,007	722,705	620,810	96,000	26,663,727	29,034,529
Borrowing costs capitalised	-	-	-	-	-	-	806,754	806,754
Disposals	-	-	(12,500)	-	-	-	-	(12,500)
Written off	(14,000)	-	(19,740)	-	(8,000)	-	-	(41,740)
Reclassifications	-	2,777,985	217,546	-	5,870,137	-	(8,865,668)	-
At 31 December 2023/ 1 January 2024	21,279,469	5,731,394	7,245,682	1,247,543	67,397,089	892,305	65,903,704	169,697,186
Additions	-	452,558	526,471	168,157	378,150	820,830	23,980,725	26,326,891
Borrowing costs capitalised	-	-	-	-	-	-	731,052	731,052
Disposals	-	-	-	-	-	-	(34,422)	(34,422)
Written off	(149,108)	-	(41,522)	-	(145,651)	-	-	(336,281)
Reclassifications	14,607,001	(3,323,083)	2,480,670	-	31,393,217	-	(45,157,805)	-
Revaluation	(2,737,362)	-	-	-	-	-	-	(2,737,362)
At 31 December 2024	33,000,000	2,860,869	10,211,301	1,415,700	99,022,805	1,713,135	45,423,254	193,647,064

13. ACCOUNTANTS' REPORT**3. Property, plant and equipment (continued)**

	At valuation	At cost						Total RM
	Buildings RM	Buildings and building improvements RM	Furniture, fittings and equipment RM	Computer equipment RM	Plant and equipment RM	Motor vehicles RM	Capital work-in- progress RM	
Accumulated depreciation								
At 1 January 2022	674,418	4,022	2,811,910	271,037	32,111,912	117,020	-	35,990,319
Depreciation for the year	425,852	51,518	575,321	99,335	6,535,268	75,226	-	7,762,520
Disposals	-	-	(45,109)	(5,969)	(99,167)	-	-	(150,245)
Written off	-	-	(16,033)	-	-	-	-	(16,033)
At 31 December 2022/ 1 January 2023	1,100,270	55,540	3,326,089	364,403	38,548,013	192,246	-	43,586,561
Depreciation for the year	425,736	114,180	553,519	144,906	5,899,627	98,441	-	7,236,409
Disposals	-	-	(3,543)	-	-	-	-	(3,543)
Written off	(1,773)	-	(9,267)	-	(7,840)	-	-	(18,880)
At 31 December 2023/ 1 January 2024	1,524,233	169,720	3,866,798	509,309	44,439,800	290,687	-	50,800,547
Depreciation for the year	425,643	338,928	832,872	207,596	8,516,797	228,771	-	10,550,607
Written off	(15,000)	-	(15,146)	-	(116,583)	-	-	(146,729)
Reclassifications	395,268	(395,268)	-	-	-	-	-	-
Revaluation	(2,330,144)	-	-	-	-	-	-	(2,330,144)
At 31 December 2024	-	113,380	4,684,524	716,905	52,840,014	519,458	-	58,874,281

13. ACCOUNTANTS' REPORT

3. Property, plant and equipment (continued)

	At valuation	At cost						
	Buildings RM	Buildings and building improvements RM	Furniture, fittings and equipment RM	Computer equipment RM	Plant and equipment RM	Motor vehicles RM	Capital work-in- progress RM	Total RM
Carrying amounts								
At 1 January 2022	20,619,051	2,284,522	3,132,597	154,102	28,507,134	416,931	21,201,604	76,315,941
At 31 December 2022/ 1 January 2023	20,193,199	2,761,589	2,939,280	160,435	22,366,129	604,059	47,298,891	96,323,582
At 31 December 2023/ 1 January 2024	19,755,236	5,561,674	3,378,884	738,234	22,957,289	601,618	65,903,704	118,896,639
31 December 2024	33,000,000	2,747,489	5,526,777	698,795	46,182,791	1,193,677	45,423,254	134,772,783

13. ACCOUNTANTS' REPORT**3. Property, plant and equipment (continued)****3.1 Assets under hire purchase arrangements**

The carrying amount of motor vehicles acquired under hire purchase arrangements is RM698,031 (31.12.2023: RM516,685; 31.12.2022: RM591,432).

3.2 Security

At 31 December 2024, certain property, plant and equipment with an aggregate carrying amount of RM119,073,686 (31.12.2023: RM103,949,405; 31.12.2022: RM77,820,498) is charged to a licensed bank for banking facilities granted to CFI Group (see Note 12).

3.3 Property, plant and equipment under revaluation model

The buildings are stated at Directors' valuation based on professional valuations carried out by a firm of professional valuers on an open market value basis conducted on 6 February 2025 (31.12.2023 and 31.12.2022: 20 November 2020). The revaluation was effected on 31 December 2024 (31.12.2023 and 31.12.2022: 31 December 2020). Subsequent additions are shown at cost while deletions are at valuation or cost as appropriate.

Had the buildings been carried at historical cost less accumulated depreciation, the carrying amount of the buildings that would have been included in the financial statements at the end of the financial year is RM29,708,810 (31.12.2023: RM15,994,485; 31.12.2022: RM16,370,106).

3.4 Fair value information

The fair value of buildings is categorised as level 3 (31.12.2023 and 31.12.2022: level 3) in the fair value hierarchy. The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Sales comparison approach: Sales price of similar properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.	Average price per square foot: RM152 (31.12.2023 and 31.12.2022: RM96).	The estimated fair value would increase/ (decrease) if the price per square foot is higher/ (lower).

13. ACCOUNTANTS' REPORT**3. Property, plant and equipment (continued)****3.5 Material accounting policy information****(a) Recognition and measurement**

Items of property, plant and equipment are measured at cost/valuation less any accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Property, plant and equipment under the revaluation model

CFI Group revalues its buildings every 5 years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value.

Surpluses arising from revaluation are dealt with in the revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

(b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The depreciation rates for the current and comparative periods based on their estimated useful lives are as follows:

Buildings and building improvements	2%
Furniture, fittings and equipment	10%
Computer equipment	40%
Plant and equipment	10% - 14%
Motor vehicles	10% - 20%

4. Right-of-use assets

	At valuation Land RM	At cost Forklifts RM	At cost Buildings RM	Total RM
At 1 January 2022	9,565,366	2,136,765	-	11,702,131
Additions	-	1,092,417	9,196,939	10,289,356
Depreciation	(147,390)	(672,720)	(1,686,104)	(2,506,214)
Derecognition*	-	(151,984)	-	(151,984)
At 31 December 2022	9,417,976	2,404,478	7,510,835	19,333,289

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13. ACCOUNTANTS' REPORT**4. Right-of-use assets (continued)**

	At valuation Land RM	← At cost → Forklifts RM	Buildings RM	Total RM
At 1 January 2023	9,417,976	2,404,478	7,510,835	19,333,289
Additions	-	812,546	4,283,810	5,096,356
Depreciation	(148,134)	(832,532)	(1,879,387)	(2,860,053)
Derecognition*	-	(233,102)	(7,357,551)	(7,590,653)
At 31 December 2023/ 1 January 2024	9,269,842	2,151,390	2,557,707	13,978,939
Depreciation	(151,964)	(688,593)	(2,337,239)	(3,177,796)
Remeasurement#	-	-	1,725,058	1,725,058
Revaluation	7,282,122	-	-	7,282,122
At 31 December 2024	16,400,000	1,462,797	1,945,526	19,808,323

* Derecognition due to early termination of lease contracts.

Remeasurement due to extension of lease contracts.

CFI Group leases a number of forklifts, buildings and a parcel of land that run between 2 years to 99 years.

4.1 Security

The land is charged to a licensed bank for banking facilities granted to CFI Group (see Note 12).

4.2 Land under revaluation model

The land is shown at Directors' valuation based on professional valuation carried out by a firm of professional valuers on an open market value basis conducted on 6 February 2025 (31.12.2023 and 31.12.2022: 20 November 2020). The revaluation was effected on 31 December 2024 (31.12.2023 and 31.12.2022: 31 December 2020). Subsequent additions are shown at cost while deletions are at valuation or cost as appropriate.

Had the land been carried at historical cost less accumulated depreciation, the carrying amount of the land that would have been included in the financial statements at the end of the financial year is RM6,111,954 (31.12.2023: RM6,213,820; 31.12.2022: RM6,315,686).

4.3 Fair value information

The fair value of land is categorised as level 3 (31.12.2023 and 31.12.2022: level 3) in the fair value hierarchy. The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.



13. ACCOUNTANTS' REPORT

4. Right-of-use assets (continued)

4.3 Fair value information (continued)

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Sales comparison approach: Sales price of similar land in close proximity are adjusted for differences in key attributes such as property size, location, tenure etc. The most significant input into this valuation approach is price per square foot.	Average price per square foot: RM47 (31.12.2023 and 31.12.2022: RM28).	The estimated fair value would increase/(decrease) if the price per square foot is higher/(lower).

4.4 Extension options

Certain leases of buildings contain extension options exercisable by CFI Group up to one year before the end of the contract period. Where applicable, CFI Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by CFI Group and not by the lessors. CFI Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. CFI Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

	Lease liabilities recognised (discounted) RM	Historical rate of exercise of extension options %
31.12.2024		
Buildings	1,805,696	100
31.12.2023		
Buildings	1,810,518	100
31.12.2022		
Buildings	7,455,109	100



13. ACCOUNTANTS' REPORT**4. Right-of-use assets (continued)****4.5 Judgements and assumptions in relation to lease**

CFI Group assesses at lease commencement by applying judgement whether it is reasonably certain to exercise the extension options. CFI Group considers all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

CFI Group also applied judgement and assumptions in determining the incremental borrowing rates of the respective leases. Group entities first determine the closest available borrowing rates before using judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

4.6 Material accounting policy information**(a) Recognition and measurement**

All right-of-use assets are measured at cost/valuation less any accumulated depreciation and any accumulated impairment losses.

CFI Group revalues its right-of-use asset comprising land in a similar manner as property, plant and equipment under revaluation model (refer to Note 3.5(a)).

When the revalued right-of-use asset expires or the revalued asset is sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

(b) Recognition exemption

CFI Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. CFI Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

5. Subsidiary

Name of entity	Effective ownership interest and voting interest			Principal activities
	31.12.2024	31.12.2023	31.12.2022	
Custom Food Ingredients B.V*	100%	100%	100%	Supply of specialty food ingredients and food products.

* Not audited by KPMG PLT. The unaudited management accounts were consolidated in CFI Group's financial statements as the subsidiary was not required by its local legislations to have the financial statements audited.

The subsidiary is incorporated and having its principal place of business in the Netherlands.



13. ACCOUNTANTS' REPORT**6. Other investments**

	31.12.2024 RM	31.12.2023 RM	31.12.2022 RM
Non-current			
Fair value through profit or loss			
- Shares	122,828	151,448	-
Current			
Amortised cost			
- Short term funds	-	-	9,518,811

6.1 Material accounting policy information**(a) Short term funds**

CFI Group classifies short term funds as other investments.

7. Inventories

	31.12.2024 RM	31.12.2023 RM	31.12.2022 RM
Raw materials	26,008,562	20,748,636	36,330,726
Finished goods	43,265,244	34,063,010	28,672,548
	69,273,806	54,811,646	65,003,274

Recognised in profit or loss (included under cost of sales):

	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM
Inventories recognised as cost of sales	313,644,046	298,507,002	334,512,863
Inventories written down	1,227,557	816,454	-
Inventories written off	371,133	731,940	862,322

7.1 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the first-in, first-out method.



13. ACCOUNTANTS' REPORT**8. Trade and other receivables**

	Note	31.12.2024 RM	31.12.2023 RM	31.12.2022 RM
Trade				
Third parties		49,660,044	42,149,593	52,890,716
Amount due from a company in which certain Directors have substantial financial interests	8.1	345,650	809,337	581,235
Trade receivables from contracts with customers		50,005,694	42,958,930	53,471,951
Non-trade				
Other receivables		28,525	-	133,173
Deposits		824,198	827,222	504,690
Prepayments	8.2	11,564,203	9,892,454	1,092,086
		12,416,926	10,719,676	1,729,949
		<u>62,422,620</u>	<u>53,678,606</u>	<u>55,201,900</u>

8.1 Amount due from a company in which certain Directors have substantial financial interests

The trade amount due from a company in which certain Directors have substantial financial interests is unsecured, interest-free and with credit terms of 30 days to 120 days (31.12.2023: 30 days to 120 days; 31.12.2022: 30 days to 90 days).

8.2 Prepayments

Included in prepayments of CFI Group is RM2,055,461 (31.12.2023: RM827,205; 31.12.2022: RM679,346) and RM8,710,868 (31.12.2023: RM8,362,986; 31.12.2022: Nil) representing advance payments made to suppliers for the purchases of raw materials and plant and equipment respectively.

9. Cash and cash equivalents

	Note	31.12.2024 RM	31.12.2023 RM	31.12.2022 RM
Short term funds	9.1	24,251,209	20,831,013	-
Short term deposits		4,202,565	11,400,176	11,050,941
Cash and bank balances		20,996,995	11,488,217	24,930,960
		<u>49,450,769</u>	<u>43,719,406</u>	<u>35,981,901</u>

9.1 Short term funds

Short term funds represent investments in fixed income funds which are redeemable within a period of less than 7 days.



13. ACCOUNTANTS' REPORT**10. Share capital**

	31.12.2024		31.12.2023		31.12.2022	
	Number of shares	Amount RM	Number of shares	Amount RM	Number of shares	Amount RM
Issued and fully paid-up ordinary shares with no par value classified as equity instruments	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of CFI.

11. Reserves

	Note	31.12.2024 RM	31.12.2023 RM	31.12.2022 RM
Non-distributable				
Translation reserve	11.1	11,418	20,663	8,460
Revaluation reserve	11.2	10,701,472	5,476,545	5,624,556
		10,712,890	5,497,208	5,633,016
Distributable				
Retained earnings		160,788,395	124,720,116	92,377,647
		171,501,285	130,217,324	98,010,663

11.1 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operation.

11.2 Revaluation reserve

The revaluation reserve relates to the revaluation of land and buildings.



13. ACCOUNTANTS' REPORT**12. Loans and borrowings**

	31.12.2024 RM	31.12.2023 RM	31.12.2022 RM
Non-current			
Secured			
Term loans	46,754,420	37,191,225	29,654,359
Hire purchase creditors	374,304	17,589	147,242
	<u>47,128,724</u>	<u>37,208,814</u>	<u>29,801,601</u>
Current			
Secured			
Term loans	7,866,756	5,151,834	5,031,882
Hire purchase creditors	124,879	129,654	159,709
Bankers' acceptances	7,929,152	5,833,160	39,575,725
Revolving credits	5,500,000	-	-
	<u>21,420,787</u>	<u>11,114,648</u>	<u>44,767,316</u>
Unsecured			
Bankers' acceptances	24,726,551	35,861,621	15,232,237
	<u>46,147,338</u>	<u>46,976,269</u>	<u>59,999,553</u>

12.1 Securities

The secured borrowings are secured by legal charges over CFI Group's land and certain property, plant and equipment (see Notes 4.1 and 3.2) and are jointly and severally guaranteed by the holding company and a Director of CFI.

The hire purchase creditors are effectively secured as the rights to the assets will be reverted to the hire purchase creditors in the event of default.

12.2 Significant covenants**(a) Term loans 1 to 8**

CFI Group's term loans with a carrying amount of RM28,112,598 at 31 December 2024 (31.12.2023: RM33,222,894; 31.12.2022: RM34,686,241) contain a covenant that requires CFI Group to maintain a maximum gearing ratio of 3 times. The covenant is tested annually on 30 September.

As at 31 December 2024, CFI Group has complied with the threshold and has no indication that it will have difficulty complying with this covenant.



13. ACCOUNTANTS' REPORT**12. Loans and borrowings (continued)****12.2 Significant covenants (continued)****(b) Term loan 9**

CFI Group's term loan with a carrying amount of RM26,508,578 at 31 December 2024 (31.12.2023: RM9,120,165; 31.12.2022: Nil) contain covenants that require CFI Group:

- (i) to provide bank an official valuation report with a market value of not less than RM40 million within 6 months from the completion date of the relevant plant and machinery financed; and
- (ii) to maintain a maximum gearing ratio of 3 times.

The covenants are tested annually on 30 September.

As at 31 December 2024, CFI Group has complied with the threshold and has no indication that it will have difficulty complying with these covenants.

13. Deferred tax liabilities**Recognised deferred tax liabilities/(assets)**

	31.12.2024	31.12.2023	31.12.2022
	RM	RM	RM
Property, plant and equipment			
- revaluation	756,885	874,965	895,424
- others	7,120,430	4,938,200	4,766,871
Right-of-use assets			
- revaluation	2,460,391	724,761	737,978
- others	817,998	1,130,183	2,379,675
Lease liabilities	(845,532)	(1,151,528)	(2,412,752)
Provisions	(1,420,957)	(314,499)	(573,739)
	<u>8,889,215</u>	<u>6,202,082</u>	<u>5,793,457</u>



13. ACCOUNTANTS' REPORT**13. Deferred tax liabilities (continued)****Movements in temporary differences during the year**

	At 1.1.2022 RM	Recognised in profit or loss (Note 19) RM	At 31.12.2022/ 1.1.2023 RM	Recognised in profit or loss (Note 19) RM	At 31.12.2023/ 1.1.2024 RM	Recognised in profit or loss (Note 19) RM	Recognised in other comprehensive income (Note 20) RM	At 31.12.2024 RM
Property, plant and equipment								
- revaluation	915,883	(20,459)	895,424	(20,459)	874,965	(20,348)	(97,732)	756,885
- others	5,076,733	(309,862)	4,766,871	171,329	4,938,200	2,182,230	-	7,120,430
Right-of-use assets								
- revaluation	751,195	(13,217)	737,978	(13,217)	724,761	(12,079)	1,747,709	2,460,391
- others	512,824	1,866,851	2,379,675	(1,249,492)	1,130,183	(312,185)	-	817,998
Lease liabilities	(518,767)	(1,893,985)	(2,412,752)	1,261,224	(1,151,528)	305,996	-	(845,532)
Provisions	(350,298)	(223,441)	(573,739)	259,240	(314,499)	(1,106,458)	-	(1,420,957)
	<u>6,387,570</u>	<u>(594,113)</u>	<u>5,793,457</u>	<u>408,625</u>	<u>6,202,082</u>	<u>1,037,156</u>	<u>1,649,977</u>	<u>8,889,215</u>

13.1 Temporary mandatory relief from deferred tax accounting

CFI Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

13.2 Material accounting policy information

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amounts of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

13. ACCOUNTANTS' REPORT**14. Deferred income**

	31.12.2024 RM	31.12.2023 RM	31.12.2022 RM
Non-current			
Government grants			
At 1 January	4,697,112	5,715,950	6,734,788
Amortised during the year (Note 17)	(1,018,837)	(1,018,838)	(1,018,838)
At 31 December	<u>3,678,275</u>	<u>4,697,112</u>	<u>5,715,950</u>

CFI Group received government grants of RM8,681,250 in 2018. The grants are amortised over the useful lives of the related plant and equipment. During the financial year, RM1,018,837 (31.12.2023: RM1,018,838; 31.12.2022: RM1,018,838) is amortised and recognised as other income in profit or loss.

14.1 Material accounting policy information

CFI Group has elected to present government grants related to assets as deferred income.

15. Trade and other payables

	Note	31.12.2024 RM	31.12.2023 RM	31.12.2022 RM
Trade				
Trade payables		28,166,751	27,196,209	34,164,172
Non-trade				
Amount due to:				
- holding company	15.1	-	50,035	-
- related companies	15.1	5,620	5,137	8,828
- a company in which a Director has substantial financial interest	15.1	-	6,794	-
Other payables		10,108,374	8,983,363	9,793,580
Accrued expenses		8,024,455	7,361,928	6,665,486
Dividend payable		-	-	7,700,000
		<u>18,138,449</u>	<u>16,407,257</u>	<u>24,167,894</u>
		<u>46,305,200</u>	<u>43,603,466</u>	<u>58,332,066</u>

15.1 Amounts due to holding company, related companies and a company in which a Director has substantial financial interest

Non-trade amounts due to holding company, related companies and a company in which a Director has substantial financial interest are unsecured, interest-free and payable on demand.



13. ACCOUNTANTS' REPORT**15. Trade and other payables (continued)****15.2 Derivative financial liabilities/(assets)**

	31.12.2024		31.12.2023		31.12.2022	
	Nominal value RM	Liabilities RM	Nominal value RM	Liabilities RM	Nominal value RM	Assets RM
Derivatives at fair value through profit or loss						
Forward exchange contracts	3,500,688	-*	-	-	2,115,866	-*

* Amount regarded as not material by the Directors and was not accounted for by CFI Group.

Forward exchange contracts are used to manage the foreign currency exposures arising from CFI Group's receivables and payables denominated in currencies other than the functional currencies of Group entities. Most of the forward exchange contracts have maturities of less than one year after the end of the reporting period. Where necessary, the forward contracts are rolled over at maturity.

13. ACCOUNTANTS' REPORT**16. Revenue**

	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM
Revenue from contracts with customers	<u>394,863,651</u>	<u>367,078,297</u>	<u>410,880,960</u>

16.1 Disaggregation of revenue from contracts with customers

	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM
Major products			
Non-dairy creamers	249,007,225	246,579,070	304,664,082
Functional lipid powders	75,280,766	60,636,566	50,659,967
Malt and cereals	60,526,357	51,557,211	48,402,755
Other food ingredients	10,049,303	8,305,450	7,154,156
	<u>394,863,651</u>	<u>367,078,297</u>	<u>410,880,960</u>

Timing of recognition

- At a point in time	<u>394,863,651</u>	<u>367,078,297</u>	<u>410,880,960</u>

Disaggregation of revenue based on geographical markets is disclosed in Note 25.

16.2 Nature of goods

Revenue from the sale of non-dairy creamers, functional lipid powders, malt and cereals and other food ingredients in the course of ordinary activities is typically recognised at a point in time when the goods are delivered and accepted by the customers. The significant payment terms granted to customers are ranging from 30 to 60 days from invoice date. There are no variable element in consideration, obligation for returns or refunds and warranty attached to the goods sold by CFI Group.

16.3 Transaction price allocated to the remaining performance obligations

CFI Group applies the practical expedient exemption in paragraph 121(a) of MFRS 15 on the exemption for disclosure of information on remaining performance obligations that have original expected durations of one year or shorter.



13. ACCOUNTANTS' REPORT**17. Results from operating activities**

Results from operating activities are arrived at after charging/(crediting):

	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM
Auditors' remuneration:			
- Audit fees			
- KPMG PLT	112,000	112,000	-
- Other auditors	-	-	107,457
- Non-audit fees			
- Local affiliates of KPMG PLT	16,000	16,000	-
Material expense/(income)			
Depreciation of:			
- Property, plant and equipment	10,550,607	7,236,409	7,762,520
- Right-of-use assets	3,177,796	2,860,053	2,506,214
Amortisation of deferred income	(1,018,837)	(1,018,838)	(1,018,838)
Finance income (Note 17.1)	(490,221)	(988,505)	(403,531)
Inventories written down	1,227,557	816,454	-
Inventories written off	371,133	731,940	862,322
Directors' remuneration (key management personnel)			
- fees	-	12,000	15,000
- Wages, salaries and others			
- current Directors	533,218	551,376	519,782
- past Director	18,217	-	-
- Contributions to Employees' Provident Fund	63,840	63,840	60,120
Personnel expenses (excluding key management personnel)			
- Wages, salaries and others	16,404,630	14,593,305	11,181,277
- Contributions to Employees' Provident Fund	1,329,709	1,165,491	945,506
Plant and equipment written off	189,552	22,860	269,877
Negative goodwill (Note 28)	-	-	(195,194)
Net foreign exchange loss/(gain)	944,123	(1,229,546)	(1,693,343)
Gain on derecognition of right-of-use assets	-	(108,885)	(11,882)
Expenses arising from leases			
Expenses relating to short term leases (Note 17.2)	1,420,548	879,538	141,657
Net (gain)/loss on impairment of financial instruments			
Financial assets at amortised cost			
- Trade receivables	(191,166)	414,785	(502,289)



13. ACCOUNTANTS' REPORT**17. Results from operating activities (continued)**

- 17.1 Finance income represents interest income of financial assets calculated using the effective interest method that are at amortised cost.
- 17.2 CFI Group leases employees' hostels, forklifts and warehouses with contract term of 1 year or shorter. CFI Group has elected not to recognise right-of-use assets and lease liabilities for these short term leases.
- 17.3 The estimated monetary value of benefits receivable by certain Directors otherwise than in cash from CFI Group is RM252,250 (31.12.2023: RM104,682; 31.12.2022: RM101,998).

18. Finance costs

	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM
Interest expense of financial liabilities that are not at fair value through profit or loss	3,541,662	3,366,306	2,579,750
Interest expense on lease liabilities	189,438	201,890	280,338
	<u>3,731,100</u>	<u>3,568,196</u>	<u>2,860,088</u>
Recognised in profit or loss	3,000,048	2,761,442	2,860,088
Interest expense of financial liabilities that are not at fair value through profit or loss capitalised into qualifying assets:			
- property, plant and equipment	731,052	806,754	-
	<u>3,731,100</u>	<u>3,568,196</u>	<u>2,860,088</u>

19. Tax expense**Recognised in profit or loss****Major components of income tax expense include:**

	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM
Current tax expense			
- Current year	6,590,051	9,325,067	12,139,401
- Prior year	195,226	(154,332)	(408,254)
Total current tax recognised in profit or loss	6,785,277	9,170,735	11,731,147



13. ACCOUNTANTS' REPORT**19. Tax expense (continued)****Recognised in profit or loss (continued)**

	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM
Deferred tax expense			
- Origination and reversal of temporary differences	1,245,960	435,709	(249,213)
- Over provision in prior year	(208,804)	(27,084)	(344,900)
Total deferred tax recognised in profit or loss	1,037,156	408,625	(594,113)
Total income tax expense	7,822,433	9,579,360	11,137,034

Reconciliation of tax expense

	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM
Profit before tax	49,890,712	41,773,818	49,777,279
Income tax calculated using Malaysian tax rate of 24%	11,973,771	10,025,716	11,946,546
Effect of different tax rates in other country	(5,232)	9,148	3,067
Non-deductible expenses	278,123	109,549	292,186
Non-taxable income	(609,890)	(566,702)	(476,786)
Tax incentive	(3,978,812)	(571,315)	-
Reversal of deferred tax on revaluation surplus	(32,427)	(33,676)	(33,676)
Others	210,478	788,056	158,851
	7,836,011	9,760,776	11,890,188
Over provision in prior year	(13,578)	(181,416)	(753,154)
	7,822,433	9,579,360	11,137,034



13. ACCOUNTANTS' REPORT

20. Other comprehensive (expense)/income

	1.1.2024 to 31.12.2024			1.1.2023 to 31.12.2023			1.1.2022 to 31.12.2022		
	Before tax RM	Tax expense RM	Net of tax RM	Before tax RM	Tax expense RM	Net of tax RM	Before tax RM	Tax expense RM	Net of tax RM
Items that will not be reclassified subsequently to profit or loss									
Revaluation of:									
- property, plant and equipment	(407,218)	97,732	(309,486)	-	-	-	-	-	-
- right-of-use assets	7,282,122	(1,747,709)	5,534,413	-	-	-	-	-	-
	<u>6,874,904</u>	<u>(1,649,977)</u>	<u>5,224,927</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Item that is or may be reclassified subsequently to profit or loss									
Foreign currency translation differences for foreign operation	<u>(9,245)</u>	<u>-</u>	<u>(9,245)</u>	<u>12,203</u>	<u>-</u>	<u>12,203</u>	<u>8,460</u>	<u>-</u>	<u>8,460</u>

13. ACCOUNTANTS' REPORT**21. Earnings per ordinary share*****Basic earnings per ordinary share***

The calculation of basic earnings per ordinary share was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM
Profit for the year attributable to owners of CFI	<u>42,068,279</u>	<u>32,194,458</u>	<u>38,640,245</u>
Weighted average numbers of ordinary shares as at 31 December	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>
Basic earnings per ordinary share (RM)	<u>4.21</u>	<u>3.22</u>	<u>3.86</u>

Diluted earnings per ordinary share

There is no dilution in earnings per share as there is no potential diluted ordinary share.

22. Dividend

Dividend recognised by CFI is as follows:

	Sen per ordinary share	Total amount RM	Date of payment
31.12.2022			
Interim 2022 ordinary	77	<u>7,700,000</u>	18 August 2023
31.12.2023			
Interim 2023 ordinary	-	<u>-</u>	-
31.12.2024			
Interim 2024 ordinary	60	<u>6,000,000</u>	26 December 2024



13. ACCOUNTANTS' REPORT**23. Capital commitments**

	31.12.2024 RM	31.12.2023 RM	31.12.2022 RM
Property, plant and equipment			
- Contracted but not provided for	<u>21,703,000</u>	<u>25,190,000</u>	<u>19,777,000</u>

24. Related parties**Significant related party transactions**

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of CFI Group are shown below. The balances related to the below transactions are shown below and in Notes 8 and 15.

	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM
(i) Transactions with holding company			
Dividend paid and payable	4,800,000	-	6,160,000
Lease payments	<u>600,000</u>	<u>100,000</u>	<u>-</u>
(ii) Transactions with related companies			
Expenses relating to short term leases	60,000	60,000	-
Lease payments	1,848,000	1,848,000	1,694,000
Purchases	-	-	7,466,543
Sales	7,380	6,286	771,693
Management fee paid and payable	-	-	204,000
Labour charges	<u>-</u>	<u>-</u>	<u>1,042,772</u>
(iii) Transactions with companies in which certain Directors have substantial financial interests			
Sales	5,104,524	5,704,594	5,684,577
Purchases	-	215,587	349,551
Expenses relating to short term leases	180,000	165,000	-
Lease payments	<u>-</u>	<u>10,000</u>	<u>110,000</u>
(iv) Lease liability balances with :			
- holding company	49,832	634,936	-
- related companies	1,952,704	1,958,316	7,138,517
- a company in which a Director has substantial financial interest	<u>-</u>	<u>-</u>	<u>463,540</u>

(v) Transactions with Directors and key management personnel

There were no transactions with the Directors and key management personnel other than the remuneration package paid to them in accordance with the terms and conditions of their appointment as disclosed in Note 17 to the financial statements.



13. ACCOUNTANTS' REPORT**25. Operating segments**

CFI Group is principally involved in the manufacturing and sale of non-dairy creamers, functional lipid powders, malt and cereals and other food ingredients which are primarily carried out in Malaysia. Chief operating decision maker monitors CFI Group's operating results as one business unit due to the similar nature and economic characteristics of the products. The products within the business unit do not require materially different operational and marketing strategies. Accordingly, information by operating segments on CFI Group's operations as required by MFRS 8 is not presented.

Geographical information

Revenue and non-current assets information are based on the geographical location of customers and assets respectively. The amounts of non-current assets do not include financial instruments.

	Revenue RM	Non-current assets RM
31.12.2024		
Malaysia	192,797,236	154,692,916
Asia (excluding Malaysia)	156,229,041	-
The Americas	18,726,740	-
Europe	15,572,070	11,018
Others	11,538,564	-
	<u>394,863,651</u>	<u>154,703,934</u>
31.12.2023		
Malaysia	157,840,732	133,027,026
Asia (excluding Malaysia)	160,533,354	-
The Americas	18,437,617	-
Europe	17,790,902	-
Others	12,475,692	-
	<u>367,078,297</u>	<u>133,027,026</u>
31.12.2022		
Malaysia	189,359,575	115,656,871
Asia (excluding Malaysia)	168,844,426	-
Europe	27,794,456	-
The Americas	14,504,486	-
Others	10,378,017	-
	<u>410,880,960</u>	<u>115,656,871</u>



13. ACCOUNTANTS' REPORT**26. Financial instruments****26.1 Categories of financial instruments**

The table below provides an analysis of financial instruments categorised as follows:

- (a) Fair value through profit or loss ("FVTPL")
- Mandatorily required by MFRS 9; and
(b) Amortised cost ("AC").

	Carrying amount RM	Mandatorily at FVTPL RM	AC RM
31.12.2024			
Financial assets			
Other investments	122,828	122,828	-
Trade and other receivables (excluding prepayments)	50,858,417	-	50,858,417
Cash and cash equivalents	49,450,769	-	49,450,769
	<u>100,432,014</u>	<u>122,828</u>	<u>100,309,186</u>
Financial liabilities			
Loans and borrowings	93,276,062	-	93,276,062
Trade and other payables	46,305,200	-	46,305,200
	<u>139,581,262</u>	<u>-</u>	<u>139,581,262</u>
31.12.2023			
Financial assets			
Other investments	151,448	151,448	-
Trade and other receivables (excluding prepayments)	43,786,152	-	43,786,152
Cash and cash equivalents	43,719,406	-	43,719,406
	<u>87,657,006</u>	<u>151,448</u>	<u>87,505,558</u>
Financial liabilities			
Loans and borrowings	84,185,083	-	84,185,083
Trade and other payables	43,603,466	-	43,603,466
	<u>127,788,549</u>	<u>-</u>	<u>127,788,549</u>



13. ACCOUNTANTS' REPORT

26. Financial instruments (continued)

26.1 Categories of financial instruments (continued)

	Carrying amount RM	Mandatorily at FVTPL RM	AC RM
31.12.2022			
Financial assets			
Other investments	9,518,811	-	9,518,811
Trade and other receivables (excluding prepayments)	54,109,814	-	54,109,814
Cash and cash equivalents	35,981,901	-	35,981,901
	<u>99,610,526</u>	<u>-</u>	<u>99,610,526</u>
Financial liabilities			
Loans and borrowings	89,801,154	-	89,801,154
Trade and other payables	58,332,066	-	58,332,066
	<u>148,133,220</u>	<u>-</u>	<u>148,133,220</u>

26.2 Net gains and losses arising from financial instruments

	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2022 RM
Net gains/(losses) on:			
Financial assets at FVTPL:			
- net loss due to change in fair value	(28,620)	(15,502)	-
- dividend income	8,586	4,055	-
	<u>(20,034)</u>	<u>(11,447)</u>	<u>-</u>
Financial assets at AC:			
- interest income	490,221	988,505	403,531
- net foreign exchange (loss)/gain	(990,845)	515,642	1,127,483
- net impairment gain/(loss) on financial assets	191,166	(414,785)	502,289
	<u>(309,458)</u>	<u>1,089,362</u>	<u>2,033,303</u>
Financial liabilities at AC:			
- interest expense	(2,810,610)	(2,559,552)	(2,579,750)
- net foreign exchange gain	46,722	713,904	565,860
	<u>(2,763,888)</u>	<u>(1,845,648)</u>	<u>(2,013,890)</u>
	<u>(3,093,380)</u>	<u>(767,733)</u>	<u>19,413</u>



13. ACCOUNTANTS' REPORT**26. Financial instruments (continued)****26.3 Financial risk management**

CFI Group has exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

26.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. CFI Group's exposure to credit risk arises principally from the individual characteristics of each customer. There are no significant changes as compared to prior periods.

Trade receivables*Risk management objectives, policies and processes for managing the risk*

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally, credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, CFI Group assesses whether any of the trade receivables is credit impaired.

The gross carrying amount of credit impaired trade receivables is written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when CFI Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that is written off could still be subject to enforcement activities.

There are no significant changes as compared to previous years.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the consolidated statement of financial position.

Concentration of credit risk

The exposure of credit risk for trade receivables as at the end of the reporting period by geographical region was:

	31.12.2024	31.12.2023	31.12.2022
	RM	RM	RM
Asia	37,935,507	35,739,191	37,502,255
Europe	6,790,561	5,127,265	12,345,677
The Americas	5,123,578	1,496,022	3,306,056
Others	156,048	596,452	317,963
	<u>50,005,694</u>	<u>42,958,930</u>	<u>53,471,951</u>

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13. ACCOUNTANTS' REPORT**26. Financial instruments (continued)****26.4 Credit risk (continued)****Trade receivables (continued)***Recognition and measurement of impairment loss*

In managing credit risk of trade receivables, CFI Group manages their debtors and take appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 60 days. CFI Group's debt recovery processes are as follows:

- Above 30 days past due, CFI Group's management will start to monitor and follow up with a debt repayment process; and
- Above 120 days past due, the matter will be escalated to the senior management whereby discussion and a structured debt recovery process will be initiated and monitored closely.

CFI Group adopts the simplified approach and uses an allowance matrix to measure expected credit losses ("ECLs") of trade receivables. Consistent with the debt recovery process, invoices which are past due 90 days will be considered as credit impaired.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

Loss rates are based on actual credit loss experience over the past three years. CFI Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) CFI Group's view of economic conditions over the expected lives of the receivables. Nevertheless, CFI Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

The following table provides information about the exposure to credit risk and ECLs for trade receivables.

	Gross carrying amount RM	Loss allowances RM	Net balance RM
31.12.2024			
Current (not past due)	32,514,258	-	32,514,258
1 - 30 days past due	12,522,740	-	12,522,740
31 - 60 days past due	4,830,325	-	4,830,325
61 - 90 days past due	138,371	-	138,371
	50,005,694	-	50,005,694
Credit impaired			
91 - 120 days past due	111,196	(111,196)	-
More than 120 days past due	54,479	(54,479)	-
Individually impaired	357,785	(357,785)	-
	50,529,154	(523,460)	50,005,694



13. ACCOUNTANTS' REPORT**26. Financial instruments (continued)****26.4 Credit risk (continued)****Trade receivables (continued)***Recognition and measurement of impairment loss (continued)*

	Gross carrying amount RM	Loss allowances RM	Net balance RM
31.12.2023			
Current (not past due)	28,061,669	-	28,061,669
1 - 30 days past due	12,005,657	-	12,005,657
31 - 60 days past due	2,642,424	-	2,642,424
61 - 90 days past due	338,109	(88,929)	249,180
	<u>43,047,859</u>	<u>(88,929)</u>	<u>42,958,930</u>
Credit impaired			
91 - 120 days past due	86,824	(86,824)	-
More than 120 days past due	124,088	(124,088)	-
Individually impaired	414,785	(414,785)	-
	<u>43,673,556</u>	<u>(714,626)</u>	<u>42,958,930</u>
31.12.2022			
Current (not past due)	28,658,036	(51,708)	28,606,328
1 - 30 days past due	15,521,498	(61,563)	15,459,935
31 - 60 days past due	7,125,502	(84,021)	7,041,481
61 - 90 days past due	2,252,833	(93,649)	2,159,184
	<u>53,557,869</u>	<u>(290,941)</u>	<u>53,266,928</u>
Credit impaired			
91 - 120 days past due	213,923	(8,900)	205,023
	<u>53,771,792</u>	<u>(299,841)</u>	<u>53,471,951</u>

The movements in the allowance for impairment in respect of trade receivables during the year are shown below:

	Trade receivables Lifetime ECL RM	Credit impaired RM	Total RM
At 1 January 2022	802,130	-	802,130
Net remeasurement of loss allowance	(502,289)	-	(502,289)
At 31 December 2022	<u>299,841</u>	<u>-</u>	<u>299,841</u>



13. ACCOUNTANTS' REPORT**26. Financial instruments (continued)****26.4 Credit risk (continued)****Trade receivables (continued)***Recognition and measurement of impairment loss (continued)*

	Trade receivables		
	Lifetime ECL RM	Credit impaired RM	Total RM
At 1 January 2023	299,841	-	299,841
Net remeasurement of loss allowance	-	414,785	414,785
At 31 December 2023/1 January 2024	299,841	414,785	714,626
Net remeasurement of loss allowance	(134,166)	(57,000)	(191,166)
At 31 December 2024	165,675	357,785	523,460

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the consolidated statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, CFI Group is of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

Credit risks on other receivables are mainly arising from deposits paid for buildings leased and utilities. These deposits will be received at the end of each lease terms. CFI Group manages the credit risk together with the leasing arrangements.

As at the end of the reporting period, the maximum exposure to credit risk is represented by its carrying amounts in the consolidated statement of financial position.

As at the end of the reporting period, CFI Group is of the view that the loss allowance is not material and hence, it is not provided for.

26.5 Liquidity risk

Liquidity risk is the risk that CFI Group will not be able to meet its financial obligations as they fall due. CFI Group's exposures to liquidity risk arise principally from its various payables, loans and borrowings.

CFI Group maintains a level of cash and bank balances and banking facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.



13. ACCOUNTANTS' REPORT**26. Financial instruments (continued)****26.5 Liquidity risk (continued)***Maturity analysis*

The table below summarises the maturity profile of CFI Group's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM	Contractual interest rate/ Discount rate per annum %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
31.12.2024							
<i>Non-derivative financial liabilities</i>							
Term loans	54,621,176	4.64 - 4.71	66,111,609	10,201,204	8,442,022	21,909,775	25,558,608
Hire purchase creditors	499,183	2.10 - 4.46	545,715	144,434	126,732	274,549	-
Lease liabilities	3,523,051	2.59 - 4.30	3,635,250	2,639,480	713,840	281,930	-
Bankers' acceptances	32,655,703	3.60 - 3.89	32,655,703	32,655,703	-	-	-
Revolving credits	5,500,000	3.65	5,500,000	5,500,000	-	-	-
Trade and other payables	46,305,200	-	46,305,200	46,305,200	-	-	-
	<u>143,104,313</u>		<u>154,753,477</u>	<u>97,446,021</u>	<u>9,282,594</u>	<u>22,466,254</u>	<u>25,558,608</u>
<i>Derivative financial liabilities</i>							
Forward exchange contracts (gross settled):							
- Outflow	3,562,837	-	3,562,837	3,562,837	-	-	-
- Inflow	(3,500,457)	-	(3,500,457)	(3,500,457)	-	-	-
	*		*	*	-	-	-
	<u>143,104,313</u>		<u>154,753,477</u>	<u>97,446,021</u>	<u>9,282,594</u>	<u>22,466,254</u>	<u>25,558,608</u>

* Amount regarded as not material by the Directors and was not accounted for by CFI Group.

13. ACCOUNTANTS' REPORT

26. Financial instruments (continued)

26.5 Liquidity risk (continued)

Maturity analysis (continued)

	Carrying amount RM	Contractual interest rate/ Discount rate per annum %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
31.12.2023							
<i>Non-derivative financial liabilities</i>							
Term loans	42,343,059	4.45 - 4.65	52,479,290	6,607,510	5,771,129	12,192,983	27,907,668
Hire purchase creditors	147,243	2.10 - 4.53	150,691	132,989	17,702	-	-
Lease liabilities	4,798,031	2.59 - 4.04	4,976,730	3,189,480	945,480	833,390	8,380
Bankers' acceptances	41,694,781	3.53 - 3.79	41,694,781	41,694,781	-	-	-
Trade and other payables	43,603,466	-	43,603,466	43,603,466	-	-	-
	<u>132,586,580</u>		<u>142,904,958</u>	<u>95,228,226</u>	<u>6,734,311</u>	<u>13,026,373</u>	<u>27,916,048</u>

13. ACCOUNTANTS' REPORT

26. Financial instruments (continued)

26.5 Liquidity risk (continued)

Maturity analysis (continued)

	Carrying amount RM	Contractual interest rate/ Discount rate per annum %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
31.12.2022							
<i>Non-derivative financial liabilities</i>							
Term loans	34,686,241	2.88 - 4.80	41,968,598	6,450,340	6,373,220	12,639,852	16,505,186
Hire purchase creditors	306,951	2.10 - 4.53	320,383	169,692	132,989	17,702	-
Lease liabilities	10,053,133	2.59 - 3.84	10,608,560	2,719,080	2,700,480	5,189,000	-
Bankers' acceptances	54,807,962	2.89 - 3.66	54,807,962	54,807,962	-	-	-
Trade and other payables	58,332,066	-	58,332,066	58,332,066	-	-	-
	<u>158,186,353</u>		<u>166,037,569</u>	<u>122,479,140</u>	<u>9,206,689</u>	<u>17,846,554</u>	<u>16,505,186</u>
<i>Derivative financial liabilities</i>							
Forward exchange contracts (gross settled):							
- Outflow	2,082,016	-	2,082,016	2,082,016	-	-	-
- Inflow	(2,115,866)	-	(2,115,866)	(2,115,866)	-	-	-
	<u>*</u>		<u>*</u>	<u>*</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>158,186,353</u>		<u>166,037,569</u>	<u>122,479,140</u>	<u>9,206,689</u>	<u>17,846,554</u>	<u>16,505,186</u>

* Amount regarded as not material by the Directors and was not accounted for by CFI Group.

13. ACCOUNTANTS' REPORT**26. Financial instruments (continued)****26.6 Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect CFI Group's financial position or cash flows.

26.6.1 Currency risk

CFI Group is exposed to foreign currency risk on sales, purchases and cash and cash equivalents that are denominated in a currency other than the functional currency of CFI Group entities. The currencies giving rise to this risk are primarily U.S. Dollar ("USD") and European Dollar ("EURO").

Risk management objectives, policies and processes for managing the risk

It is generally CFI Group's practice not to enter into foreign exchange contracts in managing its foreign exchange risk resulting from cash flows from transactions denominated in foreign currency.

Exposure to foreign currency risk

CFI Group's exposure to foreign currency (a currency which is other than the functional currency of CFI Group entities) risk, based on carrying amounts as at the end of the reporting period are as follows:

	USD RM	Denominated in EURO RM	Total RM
31.12.2024			
Trade and other receivables	13,939,152	708,879	14,648,031
Cash and cash equivalents	8,759,329	1,801,909	10,561,238
Trade and other payables	(5,376,542)	(1,843,947)	(7,220,489)
Net exposure	17,321,939	666,841	17,988,780
31.12.2023			
Trade and other receivables	14,122,124	330,899	14,453,023
Cash and cash equivalents	15,365,205	134,963	15,500,168
Trade and other payables	(5,061,054)	(1,627,425)	(6,688,479)
Net exposure	24,426,275	(1,161,563)	23,264,712
31.12.2022			
Trade and other receivables	17,596,626	2,469,353	20,065,979
Cash and cash equivalents	29,112,370	2,420,752	31,533,122
Trade and other payables	(1,429,723)	(4,233)	(1,433,956)
Net exposure	45,279,273	4,885,872	50,165,145



13. ACCOUNTANTS' REPORT**26. Financial instruments (continued)****26.6 Market risk (continued)****26.6.1 Currency risk (continued)***Currency risk sensitivity analysis*

Foreign currency risk arises from Group entities which have a RM functional currency. The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

A 5% (31.12.2023 and 31.12.2022: 5%) strengthening of the RM against the following currencies at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that CFI Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted transactions.

	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2022 to 31.12.2023 RM
Profit or loss			
USD	(658,234)	(928,198)	(1,720,612)
EURO	<u>(25,340)</u>	<u>44,139</u>	<u>(185,663)</u>

A 5% (31.12.2023 and 31.12.2022: 5%) weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

26.6.2 Interest rate risk

CFI Group's fixed rate deposits and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. CFI Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

CFI Group is presently enjoying competitive interest rates which are reviewed and negotiated on a yearly basis. CFI Group manages its interest rate risk by having a combination of borrowings with floating and fixed rates.

13. ACCOUNTANTS' REPORT**26. Financial instruments (continued)****26.6 Market risk (continued)****26.6.2 Interest rate risk (continued)***Exposure to interest rate risk*

The interest rate profile of CFI Group's significant interest-earning and interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	31.12.2024	31.12.2023	31.12.2022
	RM	RM	RM
Fixed rate instruments			
Financial assets	4,202,565	11,400,176	11,050,941
Financial liabilities	(42,177,937)	(46,640,055)	(65,168,046)
	<u>(37,975,372)</u>	<u>(35,239,879)</u>	<u>(54,117,105)</u>
Floating rate instruments			
Financial assets	24,251,209	20,831,013	9,518,811
Financial liabilities	(54,621,176)	(42,343,059)	(34,686,241)
	<u>(30,369,967)</u>	<u>(21,512,046)</u>	<u>(25,167,430)</u>

*Interest rate risk sensitivity analysis***(a) Fair value sensitivity analysis for fixed rate instruments**

CFI Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) Cash flow sensitivity analysis for variable rate instruments

A change of 50 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss	
	50 bp increase RM	50 bp decrease RM
31.12.2024		
Floating rate instruments	<u>(115,406)</u>	<u>115,406</u>
31.12.2023		
Floating rate instruments	<u>(81,746)</u>	<u>81,746</u>
31.12.2022		
Floating rate instruments	<u>(95,636)</u>	<u>95,636</u>



13. ACCOUNTANTS' REPORT**26. Financial instruments (continued)****26.7 Fair value information**

The carrying amounts of cash and bank balances, short-term receivables and payables and short-term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the consolidated statement of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	RM	RM
	RM	RM	RM	RM	RM	RM	RM	RM		
Financial assets										
31.12.2024										
Other investments	122,828	-	-	122,828	-	-	-	-	122,828	122,828
31.12.2023										
Other investments	151,448	-	-	151,448	-	-	-	-	151,448	151,448
31.12.2022										
Other investments	-	-	-	-	-	-	-	-	-	-

13. ACCOUNTANTS' REPORT

26. Financial instruments (continued)

26.7 Fair value information (continued)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM		
Financial liabilities										
31.12.2024										
Term loans	-	-	-	-	-	-	54,621,000	54,621,000	54,621,000	54,621,176
Hire purchase creditors	-	-	-	-	-	-	499,000	499,000	499,000	499,183
	-	-	-	-	-	-	55,120,000	55,120,000	55,120,000	55,120,359
31.12.2023										
Term loans	-	-	-	-	-	-	42,343,000	42,343,000	42,343,000	42,343,059
Hire purchase creditors	-	-	-	-	-	-	147,000	147,000	147,000	147,243
	-	-	-	-	-	-	42,490,000	42,490,000	42,490,000	42,490,302
31.12.2022										
Term loans	-	-	-	-	-	-	34,686,000	34,686,000	34,686,000	34,686,241
Hire purchase creditors	-	-	-	-	-	-	307,000	307,000	307,000	306,951
	-	-	-	-	-	-	34,993,000	34,993,000	34,993,000	34,993,192

13. ACCOUNTANTS' REPORT**26. Financial instruments (continued)****26.7 Fair value information (continued)****Policy on transfer between levels**

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There has been no transfer between the fair value levels during the financial year (31.12.2023 and 31.12.2022: no transfer in either directions).

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets that the entity can access at the measurement date.

Level 3 fair value*Non-derivative financial liabilities*

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. The fair value of the loans and borrowings is calculated using discounted cash flows where the market rate of interest is determined by reference to similar borrowing arrangements.

26.8 Material accounting policy information

CFI Group applies trade date accounting for regular way purchase or sale of financial assets.

27. Capital management

CFI Group's objectives when managing capital are to maintain a strong capital base and safeguard CFI Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

	31.12.2024	31.12.2023	31.12.2022
	RM	RM	RM
Loans and borrowings	93,276,062	84,185,083	89,801,154
Lease liabilities	3,523,051	4,798,031	10,053,133
Less: Cash and cash equivalents (Note 9)	(49,450,769)	(43,719,406)	(35,981,901)
Net debts	<u>47,348,344</u>	<u>45,263,708</u>	<u>63,872,386</u>
Total equity	<u>181,501,285</u>	<u>140,217,324</u>	<u>108,010,663</u>
Debt-to-equity ratio	<u>0.26</u>	<u>0.32</u>	<u>0.59</u>

There was no change in CFI Group's approach to capital management during the financial year.



13. ACCOUNTANTS' REPORT**28. Acquisition of a subsidiary**

On 1 August 2022, CFI acquired all the shares in Custom Food Ingredients B.V for RM449, satisfied in cash. The subsidiary is involved in marketing and retail of food ingredients. The acquisition of Custom Food Ingredients B.V had further expanded CFI Group's operation into The Netherlands. In the 4 months to 31 December 2022, the subsidiary contributed revenue of RM1,866,690 and loss of RM10,067.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Fair value of consideration transferred

	31.12.2022 RM
Cash and bank balances	323,314

Identifiable assets acquired and liabilities assumed

Inventories	745,214
Trade and other receivables	648,783
Cash and bank balances	323,314
Trade and other payables	(1,516,673)
Current tax liabilities	(4,995)
Total identified net assets	195,643

Net cash inflow/(outflow) arising from acquisition of subsidiary

	1.1.2022 to 31.12.2022 RM
Purchase consideration settled in cash and bank balances	(449)
Cash and bank balances acquired	323,314
	322,865

Goodwill

	1.1.2022 to 31.12.2022 RM
Negative goodwill was recognised as a result of the acquisition as follows:	
Total consideration transferred	449
Fair value of identified net assets	(195,643)
Negative goodwill	(195,194)



13. ACCOUNTANTS' REPORT**29. Subsequent events****(i) Acquisition of CFI**

On 14 July 2025, the Company entered into a conditional share sale agreement ("SSA") to acquire the entire issued share capital of CFI of RM10 million comprising 10,000,000 ordinary shares from the shareholders of CFI, namely Oriental Concept Sdn. Bhd. ("OCSB") and Sabroso Group Sdn. Bhd. ("SGSB"), for a purchase consideration of RM181,501,285. The said purchase consideration will be fully satisfied by the issuance of 181,501,285 new ordinary shares of the Company at an issue price of RM1.00 per share, which will be issued to the shareholders of CFI.

The completion of the SSA is conditional upon certain conditions precedent being fulfilled, which includes the approval-in-principle from the Securities Commission for the Proposed Listing.

(ii) Proposed Listing

The Company has submitted an application to the Securities Commission Malaysia for the Proposed Listing. As at the date of this report, the Company has yet to obtain the approval from Bursa Securities and the Securities Commission Malaysia in relation to the Company's Proposed Listing.

30. Change of status

On 28 July 2025, the Company has converted from a private limited liability company to a public limited company under the name of Custom Food Holding Berhad.



13. ACCOUNTANTS' REPORT



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DRAFT FOR THE PURPOSE OF
INCLUSION IN THE PROSPECTUS
EXPOSURE

[•] 2025

Dear Sirs,

Reporting Accountants' opinion on the consolidated financial statements of Custom Food Ingredients Sdn. Bhd. ("CFI") contained in the Accountants' Report of Custom Food Holding Berhad

Custom Food Holding Berhad ("CFH" or the "Company") was incorporated as Custom Food Holding Sdn. Bhd. on 14 April 2025 as a private company and subsequently converted to a public company on 28 July 2025 for the purpose of a restructuring exercise, as part of the listing scheme in relation to the proposed listing of and quotation for the entire enlarged issued share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Proposed Listing"). For the purpose of the financial statements included in this Accountants' Report, as the Company was incorporated subsequent to the latest reporting period presented (i.e. 31 December 2024), the financial information contained in this Accountants' Report relates solely to CFI and its subsidiary ("CFI Group").

Opinion on the Consolidated Financial Statements

We have audited the consolidated financial statements of CFI, which comprise the consolidated statement of financial position as at 31 December 2024, 31 December 2023 and 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information, as set out on pages 2 to 56. The consolidated financial statements of CFI have been prepared for inclusion in the Company's draft prospectus in connection with the proposed listing of and quotation for the entire enlarged share capital of the Company on the Main Market of Bursa Securities and for no other purposes.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial positions of CFI as at 31 December 2024, 31 December 2023 and 31 December 2022, and of its consolidated financial performance and cash flows for the years then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards") and IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

13. ACCOUNTANTS' REPORT

Custom Food Holding Berhad ("CFH" or the "Company")
 Accountants' Report on the
 Financial Statements

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Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Reporting Accountants' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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

Responsibilities of the Directors for the Consolidated Financial Statements

The Board of Directors of CFH (the "Directors") are responsible for the preparation of consolidated financial statements of CFI that give a true and fair view in accordance with MFRS Accounting Standards and IFRS Accounting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements of CFI that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements of CFI, the Directors are responsible for assessing the ability of CFI Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate CFI Group or to cease operations, or have no realistic alternative but to do so.

Reporting Accountants' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements of CFI as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements of CFI, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

13. ACCOUNTANTS' REPORT



Custom Food Holding Berhad ("CFH" or the "Company")
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Reporting Accountants' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of CFI Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of CFI Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the consolidated financial statements of CFI or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause CFI Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements of CFI, including the disclosures, and whether the consolidated financial statements of CFI represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within CFI Group to express an opinion on the consolidated financial statements of CFI. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on Distribution and Use

This report is made solely to the Company and for inclusion in the Company's draft prospectus in connection with the proposed listing of and quotation for the entire enlarged share capital of the Company on the Main Market of Bursa Securities and should not be relied upon for any other purposes. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Lim Su Ling
Approval Number : 03098/12/2025 J
Chartered Accountant

14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION



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DRAFT FOR THE PURPOSE OF
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Date: [•] 2025

Dear Sirs,

Custom Food Holding Berhad ("CFH" or the "Company") and its proposed subsidiaries (the "Group")

Report on the compilation of pro forma consolidated statement of financial position of CFH for inclusion in the Company's draft prospectus in connection with the proposed initial public offering of up to 300,123,000 ordinary shares in the Company ("Shares") ("Proposed IPO") in conjunction with the proposed listing of and quotation for the entire issued Shares on the Main Market of Bursa Malaysia Securities Berhad ("Proposed Listing") ("Draft Prospectus")

We have completed our assurance engagement to report on the compilation of the pro forma consolidated statement of financial position of CFH as at 31 December 2024 ("Pro Forma Financial Position"). The Pro Forma Financial Position and the related notes as set out in Attachment A have been stamped by us for identification purposes. The applicable criteria on the basis on which the Board of Directors of the Company (the "Directors") has compiled the Pro Forma Financial Position is described in the notes to the Pro Forma Financial Position. The Pro Forma Financial Position is prepared in accordance with the requirements of Chapter 9, Part II Division 1: Equity of the Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines") and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

The Pro Forma Financial Position, together with the related notes as set out in Attachment A, have been compiled by the Directors for inclusion in the Draft Prospectus solely to illustrate the impact of events or transactions as set out in the notes of Attachment A on the consolidated statement of financial position of CFH as at 31 December 2024, as if the events or transactions had taken place on 31 December 2024. As part of this process, information about the Pro Forma Financial Position have been extracted by the Directors from the audited consolidated financial statements of Custom Food Ingredients Sdn. Bhd. ("CFI") for the financial year ended 31 December 2024, on which an audit report dated 13 June 2025 has been issued.

Directors' Responsibility for the Pro Forma Financial Position

The Directors are responsible for compiling the Pro Forma Financial Position on the basis described in the notes of Attachment A as required by the Prospectus Guidelines and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION



Custom Food Holding Berhad ("CFH" or the "Company")
Report on the compilation of Pro Forma Financial Position
for inclusion in the Draft Prospectus in
connection with the Proposed Listing
[•] 2025

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Reporting Accountants' Quality Management and Independence

Our firm applies Malaysian Approved Standard on Quality Management, ISQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the *By-Laws (On Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion as required by the Prospectus Guidelines about whether the Pro Forma Financial Position has been compiled, in all material respects, by the Directors on the basis described in the notes of Attachment A.

We conducted our engagement in accordance with Malaysian Approved Standard on Assurance Engagement (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Financial Position on the basis described in the notes of Attachment A.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Position.

The purpose of the Pro Forma Financial Position included in the Draft Prospectus is solely to illustrate the impact of significant events or transactions on unadjusted financial information of the Group as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Position has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Pro Forma Financial Position reflect the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the Pro Forma Financial Position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Position.

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

14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION



Custom Food Holding Berhad ("CFH" or the "Company")
Report on the compilation of Pro Forma Financial Position
for inclusion in the Draft Prospectus in
connection with the Proposed Listing
[•] 2025

DRAFT FOR THE PURPOSE OF
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Opinion

In our opinion, the Pro Forma Financial Position has been compiled, in all material respects, on the basis described in the notes of Attachment A.

Other Matter

Our report on the Pro Forma Financial Position has been prepared for inclusion in the Draft Prospectus in connection with the Proposed Listing and should not be relied upon for any other purposes.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Lim Su Ling
Approval number: 03098/12/2025 J
Chartered Accountant

14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Attachment A

Custom Food Holding Berhad ("CFH" or the "Company") and its proposed subsidiaries (the "Group")
Pro Forma Financial Position and the notes thereon

Pro Forma Financial Position

The pro forma consolidated statement of financial position of CFH as at 31 December 2024 ("Pro Forma Financial Position") as set out below has been prepared for illustrative purposes only to show the effects of the transactions referred to in Note 2 had these transactions been effected on 31 December 2024, and should be read in conjunction with the said notes to the Pro Forma Financial Position.

		Pre-IPO Reorganisation			
		Pro Forma I	Pro Forma II	Pro Forma III	Pro Forma IV
Note	As at 31 December 2024* RM'000	After the Proposed Acquisition RM'000	After Pro Forma I and the Proposed Share Split RM'000	After Pro Forma II and the Proposed IPO RM'000	After Pro Forma III and the use of proceeds RM'000
Assets					
Property, plant and equipment	134,773	134,773	134,773	134,773	134,773
Right-of-use assets	19,808	19,808	19,808	19,808	19,808
Other investments	123	123	123	123	123
Total non-current assets	154,704	154,704	154,704	154,704	154,704
Inventories	69,274	69,274	69,274	69,274	69,274
Trade and other receivables	62,422	62,422	62,422	62,422	62,422
Current tax assets	1,322	1,322	1,322	1,322	1,322
Cash and cash equivalents	3(a) 49,451	49,451	49,451	[•]	[•]
Total current assets	182,469	182,469	182,469	[•]	[•]
Total assets	337,173	337,173	337,173	[•]	[•]

* Extracted from the audited consolidated financial statements of Custom Food Ingredients Sdn. Bhd. ("CFI") for the financial year ended 31 December 2024.



14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Attachment A

Custom Food Holding Berhad ("CFH" or the "Company") and its proposed subsidiaries (the "Group")
Pro Forma Financial Position and the notes thereon

Pro Forma Financial Position (continued)

		Pre-IPO Reorganisation				
			Pro Forma I	Pro Forma II	Pro Forma III	Pro Forma IV
	Note	As at 31 December 2024* RM'000	After the Proposed Acquisition RM'000	After Pro Forma I and the Proposed Share Split RM'000	After Pro Forma II and the Proposed IPO RM'000	After Pro Forma III and the use of proceeds RM'000
Equity						
Share capital	3(b)	10,000	181,501	181,501	[•]	[•]
Translation reserve		12	12	12	12	12
Revaluation reserve		10,701	10,701	10,701	10,701	10,701
Retained earnings	3(c)	160,788	160,788	160,788	[•]	[•]
Merger reserve	3(d)	-	(171,501)	(171,501)	(171,501)	(171,501)
Total equity attributable to owners		181,501	181,501	181,501	[•]	[•]
Liabilities						
Loans and borrowings	3(e)	47,129	47,129	47,129	47,129	[•]
Lease liabilities		970	970	970	970	970
Deferred tax liabilities		8,889	8,889	8,889	8,889	8,889
Deferred income		3,678	3,678	3,678	3,678	3,678
Total non-current liabilities		60,666	60,666	60,666	60,666	[•]
Loans and borrowings		46,147	46,147	46,147	46,147	46,147
Lease liabilities		2,553	2,553	2,553	2,553	2,553
Trade and other payables	3(f)	46,306	46,306	46,306	[•]	46,306
Total current liabilities		95,006	95,006	95,006	[•]	95,006
Total liabilities		155,672	155,672	155,672	[•]	[•]
Total equity and liabilities		337,173	337,173	337,173	[•]	[•]

* Extracted from the audited consolidated financial statements of Custom Food Ingredients Sdn. Bhd. ("CFI") for the financial year ended 31 December 2024.



14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Attachment A

Custom Food Holding Berhad ("CFH" or the "Company") and its proposed subsidiaries (the "Group")
Pro Forma Financial Position and the notes thereon

Supplementary information

	As at 31 December 2024 RM'000	Pre-IPO Reorganisation		Pro Forma III After Pro Forma II and the Proposed IPO RM'000	Pro Forma IV After Pro Forma III and the use of proceeds RM'000
		Pro Forma I After the Proposed Acquisition RM'000	Pro Forma II After Pro Forma I and the Proposed Share Split RM'000		
Number of ordinary shares ('000)	10,000*	181,502	907,511	1,020,823	1,020,823
Net assets per share attributable to owners^ (RM)	18.15	1.00	0.20	[•]	[•]
Gearing ratio#	0.53	0.53	0.53	[•]	[•]

* Extracted from the audited consolidated financial statements of Custom Food Ingredients Sdn. Bhd. ("CFI") for the financial year ended 31 December 2024.

^ Based on equity attributable to owners over the number of ordinary shares.

Computed based on total loans and borrowings and total lease liabilities divided by total equity.

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14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Attachment A

Custom Food Holding Berhad ("CFH" or the "Company") and its proposed subsidiaries (the "Group") Pro Forma Financial Position and the notes thereon

Notes to the Pro Forma Financial Position

The Pro Forma Financial Position has been prepared for inclusion in the draft prospectus of the Company in connection with the proposed initial public offering of up to 300,123,000 ordinary shares in the Company ("Shares") ("Proposed IPO") in conjunction with the proposed listing of and quotation for the entire enlarged issued Shares on the Main Market of Bursa Malaysia Securities Berhad ("Proposed Listing") ("Draft Prospectus") and should not be relied upon for other purposes.

1. Basis of preparation

The applicable criteria on the basis of which the Board of Directors of the Company has compiled the Pro Forma Financial Position are as described below. The Pro Forma Financial Position is prepared in accordance with the requirements of Chapter 9, Part II Division 1: Equity of the Prospectus Guidelines issued by the Securities Commission Malaysia and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

The Company was incorporated on 14 April 2025 for the purpose of a restructuring exercise, as part of the listing scheme in relation to the Proposed Listing that will result in the Company becoming the holding company of Custom Food Ingredients Sdn. Bhd. ("CFI").

The Company has not carried on any business since the date of its incorporation. Being a newly incorporated company, the Company has no audited financial statements as at the date of the Draft Prospectus. Consequently, the Pro Forma Financial Position has been prepared based on the audited consolidated financial statements of CFI for the financial year ended 31 December 2024, which were prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board and IFRS Accounting Standards as issued by the International Accounting Standards Board, and in a manner consistent with the format of the statement of financial position and the accounting policies adopted by the Group, adjusted for the events and transactions detailed in Note 2.

The pro forma adjustments are appropriate for the purpose of preparing the Pro Forma Financial Position.

The auditors' report dated 13 June 2025 on the consolidated financial statements of CFI for the financial year ended 31 December 2024 was not subject to any qualification, modification or disclaimer of opinion.

The Pro Forma Financial Position is not necessarily indicative of the financial position that would have been attained had the Proposed IPO actually occurred at the respective dates. The Pro Forma Financial Position has been prepared for illustrative purposes only.



14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Attachment A

Custom Food Holding Berhad ("CFH" or the "Company") and its proposed subsidiaries (the "Group")
Pro Forma Financial Position and the notes thereon

2. Pro Forma adjustments to the Pro Forma Financial Position

The Pro Forma Financial Position illustrates the effects of the following events or transactions:

2.1 Pro Forma I - Proposed Acquisition

On 14 July 2025, the Company had entered into a conditional share sale agreement with Oriental Concept Sdn. Bhd. ("OCSB") and Sabroso Group Sdn. Bhd. ("SGSB") to acquire the entire issued share capital of CFI ("Proposed Acquisition"). The purchase consideration will be fully satisfied via the issuance of 181,501,285 new Shares at an issue price of RM1.00 per Share, which will be issued to OCSB and SGSB.

The Proposed Acquisition will be accounted for using book value accounting. Under book value accounting, the difference between the consideration paid and the share capital of CFI is accounted for as merger reserve.

2.2 Pro Forma II - Proposed Share Split

In conjunction with the Proposed IPO, the Company proposed to subdivide its enlarged total number of 181,502,285 Shares into 907,511,425 Shares after the completion of the Proposed Acquisition.

2.3 Pro Forma III - Proposed IPO

The Proposed IPO entails the proposed initial public offering of up to 300,123,000 Shares which comprises the following:

(i) Proposed Public Issue

The Proposed Public Issue of up to 113,311,600 new Shares ("Issue Shares") at an indicative price of RM[•] per Issue Share raising total gross proceeds of approximately RM[•].

(ii) Proposed Offer for Sale

The Proposed Offer for Sale by OCSB and SGSB (collectively, the "Selling Shareholders") of up to 186,811,400 existing Shares ("Offer Shares") at an indicative price of RM[•] per Offer Share.

The Company will not receive any proceeds from the Proposed Offer for Sale. The gross proceeds of RM[•] from the Proposed Offer for Sale will be accrued entirely to the Selling Shareholders.



14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Custom Food Holding Berhad ("CFH" or the "Company") and its proposed subsidiaries (the "Group")
Pro Forma Financial Position and the notes thereon

2. Pro Forma adjustments to the Pro Forma Financial Position (continued)

2.3 Pro Forma III - Proposed IPO (continued)

The estimated listing expenses in relation to the Proposed IPO comprise the following:

	RM'000
Professional fees	[•]
Fees payable to authorities	[•]
Brokerage fee, underwriting commission and placement fees	[•]
Miscellaneous expenses and contingencies	[•]
	[•]

The total estimated listing expenses to be borne by the Company is estimated to be RM[•] and has been accrued in trade and other payables. Out of the total estimated listing expenses, approximately [•] directly attributable to the Proposed Public Issue will be debited against the share capital of the Company, and the remaining estimated listing expenses of approximately [•] will be charged out to the profit or loss of the Group.

2.4 Pro Forma IV - Use of proceeds

The total gross proceeds from the Proposed Public Issue of approximately RM[•] are intended to be used as follows:

	RM'000
Capital expenditure ⁽¹⁾	[•]
Repayment of bank borrowings ⁽²⁾	[•]
Working capital	[•]
Estimated listing expenses ⁽³⁾	[•]
	[•]

Notes:

(1) The breakdown of capital expenditure amounting to RM[•] is set out below:

	RM'000
Establishment of new factory	[•]
Purchase of new machinery and equipment for expansion	[•]
Investment in IT and automation systems	[•]
	[•]

As at the latest practicable date of 15 August 2025, the Company has yet to enter into any contractual binding agreements or issued any purchase orders in relation to the above capital expenditure. Accordingly, the use of proceeds earmarked for capital expenditure is not reflected in the Pro Forma Financial Position.

(2) The use of proceeds earmarked by the Company for the repayment of bank borrowings totaling [•] is in relation to the partial repayment of revolving credit facility granted by CIMB Islamic Bank Berhad for the construction of manufacturing facilities. The revolving credit facility has been classified as part of term loans.



14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Custom Food Holding Berhad ("CFH" or the "Company") and its proposed subsidiaries (the "Group")
Pro Forma Financial Position and the notes thereon

2. Pro Forma adjustments to the Pro Forma Financial Position (continued)

2.4 Pro Forma IV - Use of proceeds (continued)

(3) The estimated listing expenses comprise the following:

	RM'000
Professional fees	[•]
Fees payable to authorities	[•]
Brokerage fee, underwriting commission and placement fees	[•]
Miscellaneous expenses and contingencies	[•]
	[•]

The total estimated listing expenses to be borne by the Company is estimated to be RM[•]. Out of the total estimated listing expenses, approximately RM[•] directly attributable to the Proposed Public Issue will be debited against the share capital of the Company, and the remaining estimated listing expenses of approximately RM[•] will be charged out to the profit or loss of the Group.

3. Effects on the Pro Forma Financial Position

(a) Movements in cash and cash equivalents

	RM'000
Balance as at 31 December 2024	49,451
Effect of Pro Forma I:	
- Proposed Acquisition	.*
Pro Forma I and II	49,451
Effect of Pro Forma III:	
- Proceeds from the Proposed Public Issue	[•]
Pro Forma III	[•]
Effects of Pro Forma IV:	
- Repayment of bank borrowings using proceeds from the Proposed Public Issue	[•]
- Estimated listing expenses	[•]
Pro Forma IV	[•]

* Represents RM100.



14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Custom Food Holding Berhad ("CFH" or the "Company") and its proposed subsidiaries (the "Group")
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3. Effects on the Pro Forma Financial Position (continued)

(b) Movements in share capital

	RM'000
Balance as at 31 December 2024	10,000
Effect of Pro Forma I:	
- Proposed Acquisition	171,501
Pro Forma I and II	<u>181,501</u>
Effects of Pro Forma III:	
- Proposed Public Issue	[•]
- Estimated listing expenses directly attributable to the Proposed Public Issue	[•]
Pro Forma III and IV	<u>[•]</u>

(c) Movements in retained earnings

	RM'000
Balance as at 31 December 2024 / Pro Forma I and II	160,788
Effect of Pro Forma III:	
- Estimated listing expenses charged to profit or loss of the Group	[•]
Pro Forma III and IV	<u>[•]</u>

(d) Movements in merger reserve

	RM'000
Balance as at 31 December 2024	-
Effect of Pro Forma I:	
- Proposed Acquisition	(171,501)
Pro Forma I, II, III and IV	<u>(171,501)</u>

(e) Movements in loans and borrowings - non-current

	RM'000
Balance as at 31 December 2024 / Pro Forma I, II and III	47,129
Effect of Pro Forma IV:	
- Repayment of bank borrowings using proceeds from the Proposed Public Issue	[•]
Pro Forma IV	<u>[•]</u>



14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Custom Food Holding Berhad ("CFH" or the "Company") and its proposed subsidiaries (the "Group")
Pro Forma Financial Position and the notes thereon

3. Effects on the Pro Forma Financial Position (continued)

(f) Movements in trade and other payables - current

	RM'000
Balance as at 31 December 2024 / Pro Forma I and II	46,306
Effect of Pro Forma III:	
- Estimated listing expenses accrued	[•]
Pro Forma III	<u>[•]</u>
Effect of Pro Forma IV:	
- Reversal of accrued estimated listing expenses upon payment using proceeds from the Proposed Public Issue	[•]
Pro Forma IV	<u>[•]</u>

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15. ADDITIONAL INFORMATION

15.1 SHARE CAPITAL

- (i) As at the date of this Prospectus, we have only one class of shares, namely ordinary shares, all of which rank equally with one another.
- (ii) No securities will be allotted or issued based on this Prospectus after six months after the date of issue of this Prospectus.
- (iii) Save for our new Shares (a) issued pursuant to the Acquisition and Share Split as disclosed in Section 6.1.2 of this Prospectus; and (b) to be issued pursuant to our Public Issue as disclosed in Section 4.1 of this Prospectus, no shares, warrants, options, convertible securities or uncalled capital of our Company or any of our Subsidiaries have been issued or are proposed to be issued during the FYE Under Review and from 1 January 2025 up to the date of this Prospectus.
- (iv) Save for the Issue Shares reserved for subscription by Eligible Persons as disclosed in Section 4.1 of this Prospectus, there is currently no other scheme involving our Directors and employees in the share capital of our Company or any of our subsidiaries.
- (v) As at the date of this Prospectus, none of the share capital of our Company or any of our Subsidiaries is under option or agreed conditionally or unconditionally to be put under option.
- (vi) Save as disclosed in this Prospectus and save as provided under our Constitution and the Act, there are no other restrictions on the holding or voting or transfer of our Shares.

15.2 EXTRACT OF OUR CONSTITUTION

The following provisions are extracted from our Constitution and are qualified in its entirety by reference to our Constitution and by applicable law.

The words, terms and expressions appearing in the following provisions shall bear the same meaning used in our Constitution unless they are otherwise defined herein or the context otherwise requires.

(i) Transfer of securities

The provisions in our Constitution in respect of arrangements for transfer of the securities and restrictions on their free transferability are as follows:

Clause 31. Transfer of Deposited Securities

- 31.1 Subject to the restriction imposed by this Constitution, the Listing Requirements, the Central Depositories Act and the Rules (with respect to transfer of Deposited Security), the transfer of any listed security or class of listed security of the Company, shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to subsection 148(2) of the Act and any exemption that may be made from compliance with subsection 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the listed securities.

15. ADDITIONAL INFORMATION

- 31.2 The Depository may, in its absolute discretion, refuse to register any transfer Deposited Security where the reason for transfer does not fall within any approved reasons provided for in the Rules or does not comply with the Rules.
- 31.3 Subject to provisions of the Act, the Listing Requirements and the Rules, there shall be no restriction on the transfer of fully paid securities except where required by law or transfer is in respect of the partly paid Shares in respect of which a call has been made and is unpaid.

Clause 32. Transfer of Shares (Non-Deposited Securities)

- 32.1 Subject to the provisions of the Act and this Constitution, any Member may transfer all or any of his Shares (which is not Deposited Securities) by a duly executed and stamped instrument in writing. The instrument shall be executed by or on behalf of the transferor and the transferor shall remain the holder of the Shares transferred until the transfer is registered and the name of the transferee is entered in the Register of Members in respect thereof.
- 32.2 The instrument of transfer must be left for registration at the Office of the Company together with such fee not exceeding RM1.00 as the Directors from time to time may require accompanied by the certificate of the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, and thereupon the Company shall subject to the powers vested in the Directors by this Constitution register the transferee as a shareholder and retain the instrument of transfer.
- 32.3 Subject to the Act, the Directors may in their discretion through passing of a resolution to decline or delay registering any transfer of Shares (which is non-Deposited Security) to a person of whom they do not approve, whether or not being fully paid Shares or Shares on which the Company has a lien, within 30 days from the date of receipt the instrument of transfer.
- 32.4 Neither the Company nor its Directors nor any of its officers shall incur any liability for any transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other officers be legally inoperative or insufficient to pass the property in the Shares proposed or professed to be transferred and although transferred, the transfer may, as between the transferor and transferee be liable to be set aside and notwithstanding that the Company may have notice of such transfer. And in every such case, the transferee, his executors, administrators and assignees alone shall be entitled to be recognised as the holder of such Shares and the previous holder shall so far as the Company is concerned, be deemed to have transferred his whole title hereto.
- 32.5 Subject to any written law, no Shares shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.
- 32.6 Subject to the provisions of this Constitution, the Directors may at any time after the allotment of any Share but before any person has been entered in the Register of Members as the holder recognise a renunciation of any Shares by the allottee thereof in favour of some other person and may accord to any allottee of a Share a right to effect such renunciation on such terms and conditions as the Directors may determine.

15. ADDITIONAL INFORMATION

32.7 All instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Directors may decline or refuse to register shall on demand be returned to the person depositing the same. All powers of attorney granted by members for purpose, inter-alia, of transferring Shares which may be lodged, produced or exhibited to the Company or any of its proper officers shall as between the Company and the grantor of such powers be taken and deemed to continue and remain in full force and effect and the same may be acted upon until such time as express notice in writing of the revocation of the same shall have been given and lodged at the registered office of the Company.

(ii) Changes to capital and variation of class rights

The provisions in our Constitution in respect of the changes in capital or variation of class rights are as follows:

Clause 8. Issue of Shares

Without prejudice to any special rights previously conferred on the holders of any existing Shares or class of Shares, but subject to the Act, the Listing Requirements, any other statutory requirements, and to conditions, restrictions and limitations expressed in this Constitution, the Directors may allot, issue or grant rights to subscribe for or otherwise dispose of unissued shares in the Company to such persons, at such time and on such terms and conditions, with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as they deem proper, but the Directors in making any such issue of shares shall comply with the following conditions:

- (a) No Shares shall be issued at a discount except in compliance with the provisions of the Act and Listing Requirements;
- (b) The rights attaching to shares of a class other than ordinary shares, shall be expressed in this Constitution, the respective term sheets and/or subscription agreement;
- (c) No issue of Shares shall be made without the prior approval of the members of the Company in general meeting; and
- (d) No Director shall participate in a scheme that involves a new issuance of Shares or other convertible securities to employees unless the Members in a general meeting have approved the specific allotment to be made to such Director and such Director must not vote on the resolution approving the said allotment.

Clause 9. Rights of preference shareholders

9.1 Subject to the Act, the Listing Requirements and term sheet and/or subscription agreement, any other relevant authority for the time being in force, and the conditions, restrictions and limitations expressed in this Constitution, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed and the Company has the power to issue such preference capital ranking equally with, or in priority to preference shares already issued.

15. ADDITIONAL INFORMATION

- 9.2 Subject to the Act, the Listing Requirements and term sheet and/or subscription agreement, a holder of preference shares must have a right to vote in meetings of holders of their respective class of shares in each of the following circumstances:
- (a) when the dividend or part of the dividend on the share is in arrears for more than six months;
 - (b) on a proposal to reduce the Company's share capital;
 - (c) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
 - (d) on a proposal that affects the rights attached to the preference shares;
 - (e) on a proposal to wind up the Company;
 - (f) during the winding up of the Company; and
 - (g) the Company shall not, without the consent of the existing preference members at a class meeting, issue further preference capital ranking in priority above preference share already issued.
- 9.3 Subject to this Constitution and/or term sheet and/or subscription agreement, a holder of preference shares shall be entitled to the same rights as a holder of ordinary shares in relation to receiving notices, reports, audited financial statements, and attending general meetings.
- 9.4 The Company shall not allot any preference shares or convert any issued shares into preference shares unless in accordance with the right of the Members with respect to repayment of capital, participation in surplus assets and profits, cumulative or non-cumulative dividends, voting and priority of payment of capital and dividend in relation to other Shares and other classes of preference shares as set out in this Constitution and/or term sheet and/or subscription agreement.

Clause 11. Modification of class rights

Subject to the provisions of the Act, if at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of this Constitution relating to general meetings shall *mutatis mutandis* apply so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class (excluding any shares of that class held as treasury shares) and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution the provisions of Section 292 of the Act shall apply with such adaptations as are necessary.

15. ADDITIONAL INFORMATION

Clause 12. Alteration of rights by issuance of new Shares

The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

Clause 52. Power to increase capital

Subject to the Act, this Constitution, the Central Depositories Act, the Rules, the Listing Requirements, any other relevant authority for the time being in force, and the conditions, restrictions and limitations expressed in this Constitution, the Company may from time to time, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully called up or not, by ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company by the resolution authorising such increase may direct.

Clause 53. Offer of new Shares to the Member

Subject to any direction to the contrary that may be given by the Company in a general meeting, all new Shares or other convertible securities of whatever kind for the time being unissued and not allotted and any new Shares or Securities from time to time to be created shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of the general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing Shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of Shares or Securities offered and limiting a time within which the offer, if not accepted shall be deemed to be declined and after the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the Shares or Securities offered, the Directors may dispose of those Shares or Securities in such manner as they think most beneficial to the Company. The Directors may also dispose of any new Shares or Securities which (by reason of the ratio which the new Shares or Securities bear to Shares or Securities held by persons entitled to an offer of new Shares or Securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution.

Clause 54. Ranking of new Shares

Except so far as otherwise provided by the conditions of issue in this Constitution, any share capital raised by the creation of new Shares shall be considered as part of the original share capital of the Company and shall be subject to the same provisions with reference to the allotments, the payment of calls and instalments, lien, transfer, transmission, forfeiture and otherwise as the original share capital.

Clause 55. Power to alter capital

The Company may by ordinary resolution and subject to the Act, the Central Depositories Act, the Rules, the Listing Requirements, any other relevant authority for the time being in force, and the conditions, restrictions and limitations expressed in this Constitution:

- 55.1 consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares;

15. ADDITIONAL INFORMATION

- 55.2 subdivide its share capital or any part thereof into Shares of smaller amount, subject nevertheless to the provisions of the Act and so that as between the resulting Shares, one or more of such shares may, by the resolution by which such subdivision is effected, be given any preference or advantage as regards dividend, return of capital, voting or otherwise over the others or any other of such Shares;
- 55.3 cancel Shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled; or
- 55.4 convert and/or reconvert and/or re-classify any class of shares into any other class of shares.

Clause 56. Power to reduce capital

The Company may by special resolution, subject to the Act, the Central Depositories Act, the Rules, the Listing Requirements, any other relevant authority for the time being in force, and the conditions, restrictions and limitations expressed in this Constitution, reduce its share capital, any capital redemption reserve fund or any reserve account in any manner authorised by the Act and subject to any consent required by law.

(iii) **Remuneration of Directors**

The provisions in our Constitution in respect of remuneration of our Directors are as follows:

Clause 93. Directors' Remuneration

The fees and benefits payable to the Directors including compensation for loss of employment of a Director or a former Director of the Company shall be subject to annual Members approval in a general meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree **PROVIDED ALWAYS** that:

- (a) salaries payable to executive Director(s) may not include a commission on or percentage of turnover; and
- (b) fees payable to non-executive Directors shall be a fixed sum and not by a commission on or percentage of profits or turnover.

Clause 94. Reimbursement of expenses

- 94.1 The Directors shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending board meetings or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors.

15. ADDITIONAL INFORMATION

- 94.2 If by arrangement with the Directors, any Director shall perform or render any special duties or services outside his ordinary duties as a Director in particular without limiting to the generality of the foregoing if any Director being willing shall be called upon to perform extra services or to make any special efforts in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing a special remuneration in addition to his Director's fees and such special remuneration may be by way fixed sum or otherwise as may be arranged.

Clause 115. Alternate Director

- 115.1 Any Director may at any time by way of a notice to the Company and deposited at the Office appoint any person to act as his alternate Director **PROVIDED ALWAYS** that:

- (a) such person is not a director of the Company;
- (b) such person does not act as an alternate for more than one Director of the Company;
- (c) the appointment is approved by a majority of the other members of the Board; and
- (d) any fee paid by the Company to an alternate director shall be deducted from that Director's remuneration.

and at his discretion by way of a notice to the Company to remove such alternate Director from office.

- 115.2 An alternate Director shall (except as regards power to appoint an alternate Director and remuneration) be subject in all respects to the terms and conditions existing with reference to the other Directors and shall be entitled to receive notices of all meetings of the Directors and to attend, speak and vote at any such Director's meeting at which his appointer is not present.
- 115.3 Any appointment or removal of an alternate Director may be made by cable, telegram, facsimile, telex or in any other manner approved by the Directors. Any cable or telegram shall be confirmed as soon as possible by letter but may be acted upon by the Company meanwhile.
- 115.4 If a Director making any such appointment as aforesaid shall cease to be a Director (otherwise than by reason of vacating his office at a general meeting of the Company at which he is re-elected), the person appointed by him as an alternative Director shall thereupon cease to be an alternate Director.
- 115.5 An alternate Director shall not be taken into account in reckoning the minimum or maximum number of Directors allowed for the time being but he shall be counted for the purpose of reckoning whether a quorum is present at any meeting of the Directors attended by him at which he is entitled to vote.

15. ADDITIONAL INFORMATION

Clause 117. Remuneration of Managing Director

The remuneration of a managing director or managing directors shall be fixed by the Directors and may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but shall not include a commission on or percentage of turnover.

(iv) Voting and borrowing powers of Directors

The provisions in our Constitution dealing with voting powers of our Directors in the proposals, arrangements or contracts in which they are interested in and the borrowing powers exercisable by them and how such borrowing powers can be varied are as follows:

Clause 96. General power of the Company vested in Directors

The business of the Company shall be managed by the Directors who may, in addition to the powers and authorities by these presents or otherwise expressly conferred upon them, pay all expenses incurred in promoting and registering the Company, and exercise all such powers of the Company as are not by the Act or by this Constitution required to be exercised by the Company in a general meeting subject, nevertheless, to any of this Constitution, to the provisions of the Act, and to such regulations, not being inconsistent with this Constitution or provisions of the Act as may be prescribed by the Company in a general meeting but no regulation made by the Company in a general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made or passed.

Clause 97. Limitation on Directors' powers

The Directors shall not without the prior approval of the Company in a general meeting:

- (a) exercise any power of the Company to issue shares unless otherwise permitted under the Act;
- (b) carry into effect any proposal or execute any transaction for the acquisition of an undertaking or property of a substantial value, or the disposal of a substantial portion of the Company's undertaking or property; and
- (c) subject to the Act, enter into any arrangement or transaction with a Director of the Company or its holding company or with a person connected with such a Director, to acquire from or dispose to such a Director or person, any shares or non-cash assets of the requisite value.

Clause 98. Directors' borrowing powers

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or subsidiary company or of any related third party subject to the law including but not limited to the provisions of the Act and the Listing Requirements, as they may think fit.

15. ADDITIONAL INFORMATION

Clause 111. Chairman of the Directors' meeting to have a casting vote

Chairman of the Directors' meeting to have a casting vote

- 111.1 Subject to this Constitution any question arising at any meeting of the Directors shall be decided by a majority of votes, each Director having one vote and a determination by a majority of the Directors shall for all purposes be deemed a determination of the Directors.
- 111.2 In case of an equality of votes, the Chairman of the meeting shall have a second or casting vote **EXCEPT** where only two of the Directors form a quorum and only such Directors are present at the meeting or where only two of the Directors are competent to vote on the question in issue, whereupon the resolution shall be deemed not to have been passed, without affecting any other businesses at the meeting.

Clause 113. Disclosure of interest and restriction on discussion and voting

Every Director shall declare his interest in the Company and his interest in any contract or proposed contract with the Company as may be required by law. Subject to Section 222 of the Act, a Director shall not participate in any discussion or vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly an interest and if he shall do so his vote shall not be counted. A Director shall, notwithstanding his interest, be counted in the quorum for any meeting where a decision is to be taken upon any contract or proposed contract or arrangement in which he is in any way interested **PROVIDED ALWAYS** that he has complied with Section 221 of the Act and all other relevant provisions of the Act and this Constitution.

Clause 114. Power to vote

Without prejudice to the provisions of any other Constitution, the Act and the Listing Requirements, a Director may vote in respect of:

- (a) any arrangement for giving the Director himself or any other Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or
- (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of security.

15. ADDITIONAL INFORMATION

(v) **Rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rights**

The provisions in our Constitution in respect of rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rights are as follows:

Clause 8. Issue of Shares

Without prejudice to any special rights previously conferred on the holders of any existing Shares or class of Shares, but subject to the Act, the Listing Requirements, any other statutory requirements, and to conditions, restrictions and limitations expressed in this Constitution, the Directors may allot, issue or grant rights to subscribe for or otherwise dispose of unissued shares in the Company to such persons, at such time and on such terms and conditions, with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as they deem proper, but the Directors in making any such issue of shares shall comply with the following conditions:

- (a) No Shares shall be issued at a discount except in compliance with the provisions of the Act and Listing Requirements;
- (b) The rights attaching to shares of a class other than ordinary shares, shall be expressed in this Constitution, the respective term sheets and/or subscription agreement;
- (c) No issue of Shares shall be made without the prior approval of the members of the Company in a general meeting; and
- (d) No Director shall participate in a scheme that involves a new issuance of Shares or other convertible securities to employees unless the Members in a general meeting have approved the specific allotment to be made to such Director and such Director must not vote on the resolution approving the said allotment.

Clause 9. Rights of preference shareholders

- 9.1 Subject to the Act, the Listing Requirements and term sheet and/or subscription agreement, any other relevant authority for the time being in force, and the conditions, restrictions and limitations expressed in this Constitution, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed and the Company has the power to issue such preference capital ranking equally with, or in priority to preference shares already issued.
- 9.2 Subject to the Act, the Listing Requirements and term sheet and/or subscription agreement, a holder of preference shares must have a right to vote in meetings of holders of their respective class of shares in each of the following circumstances:
 - (a) when the dividend or part of the dividend on the share is in arrears for more than six months;
 - (b) on a proposal to reduce the Company's share capital;
 - (c) on a proposal for the disposal of the whole of the Company's property, business and undertaking;

15. ADDITIONAL INFORMATION

- (d) on a proposal that affects the rights attached to the preference shares;
 - (e) on a proposal to wind up the Company;
 - (f) during the winding up of the Company; and
 - (g) the Company shall not, without the consent of the existing preference members at a class meeting, issue further preference capital ranking in priority above preference share already issued.
- 9.3 Subject to this Constitution and/or term sheet and/or subscription agreement, a holder of preference shares shall be entitled to the same rights as a holder of ordinary shares in relation to receiving notices, reports, audited financial statements, and attending general meetings.
- 9.4 The Company shall not allot any preference shares or convert any issued shares into preference shares unless in accordance with the right of the Members with respect to repayment of capital, participation in surplus assets and profits, cumulative or non-cumulative dividends, voting and priority of payment of capital and dividend in relation to other Shares and other classes of preference shares as set out in this Constitution and/or term sheet and/or subscription agreement.

Clause 10. Repayment of preference capital

The repayment of preference share capital, other than redeemable preference shares or any alteration of preference shareholders' rights, shall only be made pursuant to a special resolution of the preference shareholders concerned PROVIDED ALWAYS that where the necessary majority for such a special resolution is not obtained at the class meeting, consent in writing obtained from the holders of three-fourths of the preference capital concerned within two months of the class meeting shall be as valid and effectual as a special resolution carried at the meeting.

Clause 11. Modification of class rights

Subject to the provisions of the Act, if at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of this Constitution relating to general meetings shall *mutatis mutandis* apply so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class (excluding any shares of that class held as treasury shares) and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution the provisions of Section 292 of the Act shall apply with such adaptations as are necessary.

15. ADDITIONAL INFORMATION

Clause 25 – Company's lien on shares and dividends

Subject to the provisions of the Act, the Listing Requirements and the Rules, the Company shall have a first and paramount lien on every Share (not being a fully paid-up share) such lien to be restricted to:

- (a) unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid;
- (b) if the Shares were acquired under an employee share option scheme, amounts which are owed to the Company of acquiring them; and
- (c) to such amounts as the Company may be called upon by law to pay, and has paid, in respect of the Shares of the Member or deceased Member.

In each case, the lien extends to reasonable interest and expenses incurred because the amount is not paid.

The Company's lien, if any, on share shall extend to all dividends payable thereon and other moneys payable thereon or in respect thereof. The Directors may at any time declare any shares to be wholly or in part exempted from the provisions of this Constitution.

15.3 REPATRIATION OF CAPITAL, REMITTANCE OF PROFIT AND TAXATION

(i) Malaysia

As at the LPD, there are no governmental laws, decrees, regulations or other requirements in Malaysia which may affect the repatriation of capital and the remittance of profit by our Company to our shareholders.

The Income Tax Act 1967 of Malaysia governs the taxation of income in Malaysia. All corporations in Malaysia are required to adopt the single-tier dividend system. Hence, all dividends distributed to our shareholders under a single tier dividend are not taxable. Further, the Malaysian government does not levy withholding tax on dividend payments. Therefore, the dividends to be paid to our shareholders who are non-tax residents in Malaysia are not subject to withholding tax in Malaysia. There is no Malaysian capital gains tax arising from the disposal of listed shares.

Based on the Finance Act 2024, dividend tax at the rate of 2% will be imposed on annual chargeable dividend income exceeding RM100,000 received by individual shareholders (resident and non-residents) as well as individuals who hold shares through nominees with certain exemptions, effective from year of assessment 2025.

(ii) Netherlands

As at the LPD, no approval is required from any governmental authority for paying dividends and other distributions outside of Netherlands and such dividends and other distributions may be paid out and converted into foreign currencies, subject to the statutory requirements for such distributions as set out under Dutch law, the relevant companies' articles of association and applicable anti-money laundering laws and regulations.

15. ADDITIONAL INFORMATION

Article 2:216 of the Dutch Civil Code stipulates that the general meeting of shareholders of a private limited liability company may only resolve to a profit distribution or interim profit distribution, provided that such company's equity exceeds the legally required reserves and the distribution is subject to the company's board of directors' approval. The board of directors shall only refuse approval if it foresees or is reasonably expected to foresee that the relevant company will not be able to continue paying its debts as they fall due after the distribution. Article 24 of CFI BV's articles of association also stipulates that the CFI BV's board of directors needs to approve any distribution of profits.

In addition, pursuant to Article 3:45 of the Dutch Civil Code and Article 42 of the Dutch Bankruptcy Act, a non-mandatory legal act performed by a debtor may be voidable if the debtor knows or should have known that the act would prejudice one or more creditors in their recovery. Accordingly, a profit distribution that qualifies as such an act may also be voidable.

15.4 LIMITATION ON THE RIGHT TO HOLD SECURITIES AND/OR EXERCISE OF VOTING RIGHTS

Subject to Section 15.5 of this Prospectus, there is no limitation on the right to own our Shares, including limitations on the right of non-resident or foreign shareholders to hold or exercise voting rights on our Shares imposed by law or by our Constitution.

15.5 DEPOSITED SECURITIES AND RIGHTS OF DEPOSITORS

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his Shares with Bursa Depository on or before the date is fixed, failing which our Share Registrar will be required to transfer our Shares to the Ministry of Finance Malaysia and such Shares may not be traded on Bursa Securities.

Dealing in our Shares deposited with Bursa Depository may only be effected by a Depositor by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares shall be deemed to be our shareholder and shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

15.6 MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (including contracts not in writing), not being contracts in the ordinary course of business, that have been entered into by any company within our Group during the FYE Under Review and from 1 January 2025 up to the date of this Prospectus:

- (i) share sale agreement dated 14 July 2025 entered into between our Company (as purchaser) and OCSB and SGSB (as vendors) for the Acquisition for a total purchase consideration of RM181,501,285 to be satisfied via the issuance of 181,501,285 new Shares at an issue price of RM1.00 per Share. Further details of the Acquisition are set out in Section 6.1.2.1 of this Prospectus;
- (ii) asset transfer agreement dated 28 February 2022 entered into between Family Cereal (as vendor) and CFI (as purchaser) for the sale and purchase of malt and cereal products manufacturing business, for a total cash consideration of RM1.00;

15. ADDITIONAL INFORMATION

- (iii) the Retail Underwriting Agreement dated [●] entered into between our Company and our Underwriter for the underwriting of 30,624,900 Issue Shares under the Retail Offering. Please refer to Section 4.7 of this Prospectus for the salient terms of the Retail Underwriting Agreement;
- (iv) the Master Cornerstone Placement Agreement dated [●] entered into between our Company, the Bookrunner and the Cornerstone Investors for the placement of [●] IPO Shares under the Institutional Offering at the Institutional Price subject to the terms of the Master Cornerstone Placement Agreement and the individual cornerstone placement agreements. Please refer to Section 4.1.2 of this Prospectus for further details of the Master Cornerstone Placement Agreement; and
- (v) the lock-up letters dated [●] entered into between our Company and our Bookrunner in relation to the lock-up arrangement for our IPO and Listing.

15.7 MATERIAL LITIGATION

As at the date of this Prospectus, our Group is not engaged in any governmental proceedings and/or any material litigation, claim and/or arbitration, whether as plaintiff or defendant, which might materially and adversely affect the financial position or profitability of our Group. There are no proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect our financial position or profitability in the 12 months immediately preceding the date of this Prospectus.

15.8 CONSENTS

- (i) Our Sole Principal Adviser, Bookrunner and Underwriter, Company Secretaries, Solicitors, and Share Registrar and Issuing House have given their respective written consents for the inclusion in this Prospectus of their names and all references in the form and context in which their names appear before the issuance of this Prospectus, and such consents have not subsequently been withdrawn.
- (ii) The Auditors and Reporting Accountants have given its written consent for the inclusion in this Prospectus of its name, the Accountants' Report and the Reporting Accountants' report on the pro forma consolidated statement of financial position and all references thereto in the form and context in which they are contained in this Prospectus before the issuance of this Prospectus, and such consent has not subsequently been withdrawn.
- (iii) The IMR has given its written consent for the inclusion in this Prospectus of its name, the IMR Report and all references thereto in the form and context in which they are contained in this Prospectus before the issuance of this Prospectus, and such consent has not subsequently been withdrawn.

15. ADDITIONAL INFORMATION

15.9 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at our registered office at No. D-09-02, Level 9, EXSIM Tower, Millerz Square @ Old Klang Road, Megan Legasi, No. 357, Jalan Kelang Lama, 58000 Kuala Lumpur, Malaysia, during normal business hours for a period of six months from the date of this Prospectus:

- (i) our Constitution;
- (ii) the IMR Report as included in Section 8 of this Prospectus;
- (iii) the Accountants' Report as included in Section 13 of this Prospectus;
- (iv) the Reporting Accountants' report on the pro forma consolidated statement of financial position of our Company as at 31 December 2024 as included in Section 14 of this Prospectus;
- (v) the material contracts referred to in Section 15.6 of this Prospectus;
- (vi) the letters of consent referred to in Section 15.8 of this Prospectus; and
- (vii) the audited financial statements of CFI for the FYE Under Review.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE “DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE” ACCOMPANYING THE ELECTRONIC COPY OF OUR PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.

16.1 OPENING AND CLOSING OF APPLICATION

Applications for our IPO Shares will be accepted and closed at the time and date stated as below:

OPENING OF THE APPLICATION PERIOD : 10.00 A.M., [●]

CLOSING OF THE APPLICATION PERIOD : 5.00 P.M., [●]

In the event there is any change to the dates stated above, we will advertise a notice of the change in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia, and make an announcement on Bursa Securities' website.

Late Applications will not be accepted.

16.2 METHODS OF APPLICATION

All Applications must be in accordance with our Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

Types of Application and category of investors	Application Method
Applications by the Malaysian Public:	
(a) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(b) Non-Individuals	White Application Form only
Applications by the Eligible Persons	Pink Application Form only
Applications by institutional and selected investors	Our Bookrunner will contact the selected investors directly. They should follow our Bookrunner's instructions
Applications by Bumiputera investors approved by the MITI	The MITI will contact the Bumiputera investors directly. They should follow MITI's instructions

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

16.3 ELIGIBILITY

16.3.1 General

You must have a CDS Account and a correspondence address in Malaysia. If you do not have a CDS Account, you may open a CDS Account by contacting any of the ADAs set out in the list of ADAs accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS Account must be in your own name. **Invalid, nominee or third party CDS Accounts will not be accepted** for the Applications.

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

AN APPLICANT WHO WISHES TO SUBMIT APPLICATIONS USING A JOINT BANK ACCOUNT MUST CONTACT THE FINANCIAL INSTITUTION HANDLING THE APPLICATIONS TO ENSURE THAT THE NAME ON THE JOINT BANK ACCOUNT MATCHES THE NAME ON THEIR CDS ACCOUNT. THIS STEP MINIMIZES THE RISK OF REJECTION OF IPO APPLICATIONS DUE TO NAME DISCREPANCIES. OUR COMPANY, SOLE PRINCIPAL ADVISER AND ISSUING HOUSE ARE NOT RESPONSIBLE FOR ANY ISSUES ARISING THEREAFTER.

16.3.2 Applications by Malaysian Public

You can only apply for our IPO Shares if you fulfill all of the following:

- (i) you must be one of the following:
 - (a) a Malaysian citizen who is at least 18 years old as at the date of the application for our IPO Shares; or
 - (b) a corporation / institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors / trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or
 - (c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.
- (ii) you must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and
- (iii) You must submit the Applications by using only one of the following methods:
 - (a) White Application Form;
 - (b) Electronic Share Application; or
 - (c) Internet Share Application.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

16.3.3 Application by the Eligible Persons

The Eligible Persons will be provided with Pink Application Forms and letters from us detailing their respective allocation as well as detailed procedures on how to subscribe to the allocated IPO Shares. The applicants must follow the notes and instructions in the said document and where relevant, in this Prospectus.

The Eligible Persons who have made applications using the Pink Application Form may still apply for our IPO Shares allocated to the Malaysian Public using the White Application Form or through the Electronic Share Application or the Internet Share Application.

The Eligible Persons may request for a copy of the printed Prospectus from our Company at no cost and are given an option to have the printed Prospectus delivered to them free of charge, or to obtain the printed Prospectus from our Company, Issuing House, RHB Investment Bank, participating organisations of Bursa Securities and Members of the Association of Banks in Malaysia or Malaysian Investment Banking Association.

16.4 APPLICATIONS BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform STRICTLY to the terms of our Prospectus or the respective category of Application Form or notes and instructions printed therein or which are illegible will not be accepted.

The FULL amount payable is RM[●] for each IPO Share.

Payment must be made out in favour of “**TIH SHARE ISSUE ACCOUNT NO. [●]**” and crossed “**A/C PAYEE ONLY**” and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

- (i) despatched by **ORDINARY POST** in the official envelopes provided, to the following address:

 Tricor Investor & Issuing House Services Sdn Bhd
 (Registration No. 197101000970 (11324-H))
 Unit 32-01, Level 32, Tower A
 Vertical Business Suite
 Avenue 3, Bangsar South
 No. 8, Jalan Kerinchi
 59200 Kuala Lumpur
- (ii) **DELIVERED BY HAND AND DEPOSITED** in the drop-in boxes provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur,

so as to arrive not later than 5.00 p.m. on [●] or by such other time and date specified in any changes to the date and time of closing.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the Application Forms to the Issuing House.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

The abovementioned methods are not applicable to the submission of the Pink Application Forms. All duly completed Pink Application Forms should be submitted to our Group through the Human Resources Department.

16.5 APPLICATIONS BY WAY OF ELECTRONIC SHARE APPLICATION

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Participating Financial Institutions.

Please refer to the detailed procedures and terms and conditions of Electronic Share Application set out in the “**Detailed Procedures for Application and Acceptance**” accompanying the electronic copy of this Prospectus on the website of Bursa Securities or contact the relevant Participating Financial Institution for further enquiries.

16.6 APPLICATIONS BY WAY OF INTERNET SHARE APPLICATION

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions or Participating Securities Firms, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CGS International Securities Malaysia Sdn Bhd, Kenanga Investment Bank Berhad, Malayan Banking Berhad, Malacca Securities Sdn Bhd, Moomoo Securities Malaysia Sdn Bhd, Public Bank Berhad, RHB Bank Berhad, TA Securities Holdings Berhad and UOB Kay Hian (M) Sdn Bhd (formerly known as UOB Kay Hian Securities (M) Sdn Bhd). A processing fee will be charged by the respective Internet Participating Financial Institutions or Participating Securities Firms (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions or Participating Securities Firms.

Please refer to the detailed procedures and terms and conditions of Internet Share Application set out in the “**Detailed Procedures for Application and Acceptance**” accompanying the electronic copy of this Prospectus on the website of Bursa Securities or contact the relevant Participating Financial Institution for further enquiries.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

16.7 AUTHORITY OF OUR BOARD AND OUR ISSUING HOUSE

The Issuing House, on the authority of our Board reserves the right to:

- (i) reject Applications which:
 - (a) do not conform to the instructions of this Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
 - (b) are illegible, incomplete or inaccurate; or
 - (c) are accompanied by an improperly drawn up, or improper form of, remittance; or
- (ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and
- (iii) bank in all Application monies (including those from unsuccessful / partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 16.9 of this Prospectus.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

16.8 OVER / UNDERSUBSCRIPTION

If there is any over-subscription, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of our IPO shares and the balloting results in connection therewith will be furnished by the Issuing House to Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on the Issuing House's website at <https://srmy.vistra.com> within one Market Day after the balloting date.

Pursuant to the Listing Requirements, we are required to have at least 25.00% of the total number of our Shares to be held by a minimum number of 1,000 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event this requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all the Applications will be returned in full (without interest or any share of revenue or benefits arising therefrom) and if such monies are not returned in full within 14 days after our Company becomes liable to do so, the provision of Section 243(2) of the CMSA shall apply accordingly.

If there is any under-subscription of the Retail Offering, subject to the clawback and reallocation provisions as set out in Section 4.1.4 of this Prospectus, any of the aforementioned IPO Shares not applied for will then be subscribed by our Underwriter subject to the terms and conditions of the Retail Underwriting Agreement.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

16.9 UNSUCCESSFUL / PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful / partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner:

16.9.1 For applications by way of Application Forms

- (i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you have provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary / registered post to your registered or correspondence address last maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.
- (ii) If your Application is rejected because you did not provide a CDS Account number, your Application monies will be refunded via banker's draft sent by ordinary / registered post to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (i) and (ii) above (as the case may be).
- (iv) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or by issuance of banker's draft sent by ordinary / registered post to your registered or correspondence address last maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

16.9.2 For applications by way of Electronic Share Applications and Internet Share Applications

- (i) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms of the unsuccessful or partially successful Applications within two Market Days after the date of the final ballot. The full amount of the Application monies or the balance of it will be credited (without interest) into your account with the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms (or arranged with the Authorised Financial Institutions) within two Market Days after the receipt of confirmation from the Issuing House.
- (ii) You may check your account on the fifth Market Day from the balloting date.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions or Participating Securities Firms (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot.
- (iv) For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms will be informed of the unsuccessful or partially successful Applications within two Market Days after the date of the final ballot. The Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms will credit the Application monies or any part thereof (without interest) within two Market Days after the receipt of confirmation from the Issuing House.

16.10 SUCCESSFUL APPLICANTS

If you are successful in your application:

- (i) Our IPO Shares allotted to you will be credited into your CDS Account.
- (ii) A notice of allotment will be despatched to you at your registered or correspondence address last maintained with Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.
- (iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as prescribed securities. As such, our IPO Shares issued / offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.
- (iv) In accordance with Section 29 of the SICDA, all dealings in our IPO Shares will be by book entries through CDS Accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.
- (v) In the event that the Final Retail Price is lower than the Retail Price, the difference will be refunded to you without any interest thereon. The refund will be credited into your bank account for purposes of cash dividends / distribution if you have provided such bank account information to Bursa Depository or despatched, in the form of cheques, by ordinary post to your address maintained with Bursa Directory if you have not provided such bank account information to Bursa Depository, or by crediting into your account with the Electronic Participating Financial Institutions for applications made via the Electronic Share Application or by crediting into your account with the Internet Participating Financial Institutions for applications made via the Internet Share Application, within 10 Market Days from the date of the final ballot, at your own risk.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

16.11 ENQUIRIES

Enquiries in respect of the applications may be directed as follows:

Mode of application		Parties to direct the enquiries
Application Form		Issuing House Enquiry Services Telephone at telephone no. (603) 2783 9299
Electronic Application	Share	Participating Financial Institution
Internet Share Application		Internet Participating Financial Institution or Participating Securities Firm and Authorised Financial Institution

The results of the allocation of our IPO Shares derived from successful balloting will be made available to the public at the Issuing House website at <https://srmy.vistra.com>, one Market Day after the balloting date.

You may also check the status of your Application, on the allotment date by calling your respective ADA during office hours at the telephone number as stated in the list of ADAs accompanying the Electronic Prospectus.

ANNEXURE A - MAJOR LICENCES, PERMITS AND APPROVALS

We set out below the details of the major licences, permits and approvals obtained by our Group for our business operations, and the status of compliance of material conditions attached to them as at the LPD.

No.	Licensee	Approving authority	Licence / permit / approval / certificate no.	Description of licence / permit / approval / certificate	Effective date / Expiry date	Material conditions	Status of compliance as at the LPD
1.	CFI	MITI	A017814	Manufacturing licence for the Kulim Factory for the manufacturing of fat powders, malt powders, hydrolysed vegetable protein (HVP) powders and flavour powders	21 July 2010 / Not applicable	(i) MITI and MIDA shall be notified of the sale of shares in CFI (ii) CFI shall train its Malaysian employees to ensure that the transfer of technology and expertise can be channelled at all levels of positions (iii) For local sales, CFI shall, as far as possible, use services undertaken by Malaysians, including appointing Malaysian-owned distributor companies, wherein at least 30% of its sales to the domestic market shall be distributed by Bumiputera distributors	Noted Complied Noted
2.	CFI	MITI	A024544	Manufacturing licence for the SJ Factory for the manufacturing of honey powder, malted extract, malted beverages powder, malted milk products and cereal products	Effective from 27 January 2022 with no expiry date	(i) MITI and MIDA shall be notified of the sale of shares in CFI (ii) CFI shall train its Malaysian employees to ensure that the transfer of technology and expertise can be channelled at all levels of positions (iii) CFI shall comply with the capital investment requirements per employee (CIPE) of at least RM140,000.00	Noted Complied Complied

ANNEXURE A - MAJOR LICENCES, PERMITS AND APPROVALS

No.	Licensee	Approving authority	Licence / permit / approval / certificate no.	Description of licence / permit / approval / certificate	Effective date / Expiry date	Material conditions	Status of compliance as at the LPD
						(iv) The total number of full-time employees of CFI shall consist of at least 80.00% Malaysian citizens. The hiring of foreign employees hired through external sources, is subject to current policies	Complied
3.	CFI	Kulim City Council	L001572801	Business and signage licence for the Kulim Factory for: (i) office; (ii) factory for food processing / packaging / food milling; and (iii) food storage warehouse.	11 November 2024 / 10 November 2025	Nil	Not applicable
4.	CFI	Seberang Perai City Council	PRI/02/20231228 /4014	Business and signage licence for the the SJ Factory for: (i) manufacturing cereal and starch sweetener; (ii) trading firm / office;	7 January 2025 / 31 December 2025	Nil	Not applicable

ANNEXURE A - MAJOR LICENCES, PERMITS AND APPROVALS

No.	Licensee	Approving authority	Licence / permit / approval / certificate no.	Description of licence / permit / approval / certificate	Effective date / Expiry date	Material conditions	Status of compliance as at the LPD
				(iii) packaging soybeans, peanuts and other grain foods; and			
				(iv) warehouse / storage of goods.			
5.	CFI	Kulim City Council	L002676401	Business licence for the OCSB Warehouse for warehouse / storage of goods	8 April 2025 / 7 April 2026	Nil	Not applicable
6.	CFI	Seberang Perai City Council	PR/01/20250430/3030	Business licence for the SJ Warehouse for:	30 April 2025 / 31 December 2025	Nil	Not applicable
				(i) warehouse / storage of goods; and			
				(ii) office.			

ANNEXURE A - MAJOR LICENCES, PERMITS AND APPROVALS

No.	Licensee	Approving authority	Licence / permit / approval / certificate no.	Description of licence / permit / approval / certificate	Effective date / Expiry date	Material conditions	Status of compliance as at the LPD
7.	CFI	MOH	HA0619003-2/1	HACCP Certificate certifies that CFI has fulfilled the terms and conditions for implementation of HACCP system for the applicable products at the Kulim Factory	8 March 2023 / 7 March 2026	Nil	Not applicable
8.	CFI	MOH	HA0419025-2/1	HACCP Certificate certifies that CFI has fulfilled the terms and conditions for implementation of HACCP system for the applicable products at the SJ Factory	13 December 2022 / 12 December 2025	Nil	Not applicable
9.	CFI	MOH	GM0619012-1/1	GMP Certificate certifies that CFI has fulfilled the terms and conditions for implementation of GMP system at the Kulim Factory	8 March 2023 / 7 March 2026	Nil	Not applicable

ANNEXURE A - MAJOR LICENCES, PERMITS AND APPROVALS

No.	Licensee	Approving authority	Licence / permit / approval / certificate no.	Description of licence / permit / approval / certificate	Effective date / Expiry date	Material conditions	Status of compliance as at the LPD
10.	CFI	MOH	GM0419030-1/1	GMP Certificate certifies that CFI has fulfilled the terms and conditions for implementation of GMP system at the SJ Factory	13 December 2022 / 12 December 2025	Nil	Not applicable
11.	CFI	MOH	ME0120068-1/1	MeSTI Certificate certifies that CFI has fulfilled the terms and conditions for certification of MeSTI at the Kulim Factory	8 March 2023 / 7 March 2026	Nil	Not applicable
12.	CFI	MOH	ME1219138-1/1	MeSTI Certificate certifies that CFI has fulfilled the terms and conditions for certification of MeSTI at the SJ Factory	13 December 2022 / 12 December 2025	Nil	Not applicable
13.	CFI	Metrology Corporation Malaysia Sdn. Bhd. ("MCMSB")	B 2012149	Certificate of verification of weights and measures for the weighbridge bearing serial number 172050362	20 June 2024 / Not applicable	Nil	Not applicable

ANNEXURE A - MAJOR LICENCES, PERMITS AND APPROVALS

No.	Licensee	Approving authority	Licence / permit / approval / certificate no.	Description of licence / permit / approval / certificate	Effective date / Expiry date	Material conditions	Status of compliance as at the LPD
14.	CFI	MCMSB	B 2012150	Certificate of verification of weights and measures for the weighbridge bearing serial number 163650119	20 June 2024 / Not applicable	Nil	Not applicable
15.	CFI	Malaysian Palm Oil Board ("MPOB")	574151017000	Licence to purchase, move and store processed palm oil and processed palm kernel oils at the Kulim Factory	1 July 2025 / 30 June 2026	Nil	Not applicable
16.	CFI	MPOB	620889017000	Licence to purchase, move and store processed palm oil at the SJ Factory	1 April 2025 / 31 March 2026	Nil	Not applicable
17.	CFI	Ministry of Domestic Trade and Cost of Living ("MDTCL")	PBKB/2024/B/K-000222	Scheduled controlled articles permit to purchase and store up to 60,000 kg of sugar at the Kulim Factory	24 December 2024 / 23 December 2027	(i) CFI shall store controlled schedule article at the permitted address only. (ii) CFI shall store or have in possession of controlled scheduled article not exceeding the permitted quantity. (iii) CFI shall purchase specified controlled scheduled article for personal use and not for resale purposes.	Complied Complied Complied

ANNEXURE A - MAJOR LICENCES, PERMITS AND APPROVALS

No.	Licensee	Approving authority	Licence / permit / approval / certificate no.	Description of licence / permit / approval / certificate	Effective date / Expiry date	Material conditions	Status of compliance as at the LPD
						(iv) CFI shall maintain a purchase record book containing the supplier's name and address, date of purchase, quantity and price and keep invoices, receipts or any purchase documents.	Complied
						(v) The scheduled controlled article purchased and stored are not subsidised controlled article.	Complied
18.	CFI	MDTCL	PBKB/2024/P/P-000315	Scheduled controlled articles permit to purchase and store up to 50,000 kg of sugar and 150,000 kg of wheat flour at the Kulim Factory (business address) and SJ Factory (storage address)	23 May 2024 / 22 May 2027	(i) CFI shall store controlled schedule article at the permitted address only.	Complied
						(ii) CFI shall store or have in possession of controlled scheduled article not exceeding the permitted quantity.	Complied
						(iii) CFI shall purchase specified controlled scheduled article for personal use and not for resale purposes.	Complied
						(iv) CFI shall maintain a purchase record book containing the supplier's name and address, date of purchase, quantity and price and keep invoices, receipts or any purchase documents.	Complied
						(v) The scheduled controlled article purchased and stored are not subsidised controlled article.	Complied

ANNEXURE A - MAJOR LICENCES, PERMITS AND APPROVALS

No.	Licensee	Approving authority	Licence / permit / approval / certificate no.	Description of licence / permit / approval / certificate	Effective date / Expiry date	Material conditions	Status of compliance as at the LPD
19.	CFI	MDTCL	PBKB/2024/P/P-000609	Scheduled controlled articles permit to purchase and store up to 400 litres of diesel (Euro 2M) at the SJ Factory	22 October 2024 / 21 October 2027	(i) CFI shall store controlled schedule article at the permitted address only. (ii) CFI shall store or have in possession of controlled scheduled article not exceeding the permitted quantity. (iii) CFI shall purchase specified controlled scheduled article for personal use and not for resale purposes. (iv) CFI shall maintain a purchase record book containing the supplier's name and address, date of purchase, quantity and price and keep invoices, receipts or any purchase documents. (v) The scheduled controlled article purchased and stored are not subsidised controlled article.	Complied Complied Complied Complied Complied
20.	CFI	Fisheries Development Authority of Malaysia	0005862	Licence for fish processing at the Kulim Factory	21 August 2023 / 17 August 2026	(i) No person shall deal with, process, export or import any fish unsafe to be consumed by human without a written consent from the Fisheries Development Authority of Malaysia. (ii) No person shall deal with, process, export or import any fish which is illegally obtained or caught or in contravention of the law.	Complied Complied

ANNEXURE A - MAJOR LICENCES, PERMITS AND APPROVALS

No.	Licensee	Approving authority	Licence / permit / approval / certificate no.	Description of licence / permit / approval / certificate	Effective date / Expiry date	Material conditions	Status of compliance as at the LPD
						(iii) Dealings and processing shall only be carried out at the permitted premises.	Complied
						(iv) CFI shall retain relevant documents such as delivery notes, invoices, product-related certificates and submit them to the authorities upon request.	Complied
21.	Oon Tee Wey ⁽¹⁾	Ministry of Health Kedah	018143	Permit for Oon Tee Wey to purchase up to a maximum of 20,000 kg (solid) and 160,000 kg (liquid) of sodium hydroxide for food processing, cleaning in place and waste water treatment plant at Kulim Factory	1 January 2025 / 31 December 2025	(i) Every purchase and usage of the sodium hydroxide should be recorded in a book or any other form, including electronic form, the format stipulated in the permit granted. (ii) The transaction record should be kept at the permitted premises and for a period of five years from the last entry date. (iii) If Oon Tee Wey: (a) resigns as a licensed holder in CFI and is employed in other company within the same country or otherwise; or (b) changes the business address but remains with CFI, he shall:	Complied Complied Noted

ANNEXURE A - MAJOR LICENCES, PERMITS AND APPROVALS

No.	Licensee	Approving authority	Licence / permit / approval / certificate no.	Description of licence / permit / approval / certificate	Effective date / Expiry date	Material conditions	Status of compliance as at the LPD
						(1) notify the MOH Penang in relation to the change of licence holder name or address of workplace / business before the implementation of the change. He shall also provide an explanation in relation to the reason for the change and the proposed action to be taken in relation to the storage of the poisons at the location which he will leave / has resigned as the licence holder. (2) surrender the licence to the MOH Penang for cancellation. (3) be responsible to ensure CFI does not continue to use the poisons, failure of which shall result in the confiscation of the poison from CFI via court order and he will also have difficulties in his future application for poison licence.	
22.	Dato' Saw ⁽¹⁾	Ministry of Health Penang ("MOH Penang")	017156	Permit for Dato' Saw to purchase sodium hydroxide up to a maximum of 50,000 kg (liquid) for water treatment / food processing purposes at the SJ Factory	1 January 2025 / 31 December 2025	(i) Every purchase and usage of the sodium hydroxide should be recorded in a book or any other form, including electronic form, the format stipulated in the permit granted.	Complied

ANNEXURE A - MAJOR LICENCES, PERMITS AND APPROVALS

No.	Licensee	Approving authority	Licence / permit / approval / certificate no.	Description of licence / permit / approval / certificate	Effective date / Expiry date	Material conditions	Status of compliance as at the LPD
						(ii) The transaction record should be kept at the permitted premises and for a period of five years from the last entry date.	Complied
						(iii) If Dato' Saw:	Noted
						(a) resigns as a licensed holder in CFI and is employed in other company within the same country or otherwise; or	
						(b) changes the business address but remains with CFI,	
						he shall:	
						(1) notify the MOH Penang in relation to the change of licence holder name or address of workplace / business before the implementation of the change. He shall also provide an explanation in relation to the reason for the change and the proposed action to be taken in relation to the storage of the poisons at the location which he will leave / has resigned as the licence holder.	
						(2) surrender the licence to the MOH Penang for cancellation.	

ANNEXURE A - MAJOR LICENCES, PERMITS AND APPROVALS

No.	Licensee	Approving authority	Licence / permit / approval / certificate no.	Description of licence / permit / approval / certificate	Effective date / Expiry date	Material conditions	Status of compliance as at the LPD
						(3) be responsible to ensure CFI does not continue to use the poisons, failure of which shall result in the confiscation of the poison from CFI via court order and he will also have difficulties in his future application for poison licence.	
23.	CFI	Atomic Energy Licensing Board ("AELB")	LPTA/A/3426	Class C licence to purchase, own, possess, use, handle and store irradiating apparatus, being Anritsu KXS7554AWHSE X-ray Inspection System at the Kulim Factory	7 April 2025 / 6 April 2028	(i) The licensee shall only purchase irradiating apparatus from supplier licensed by AELB. (ii) The licensee shall update AELB on changes to the information relating to the irradiating apparatus within 14 days via e-Lesen. (iii) The licensee shall ensure the irradiating apparatus is only operated by certified technician. (iv) The licensee shall inform AELB and any other relevant authority as soon as possible within 24 hours if there is any accidental / emergency exposure and ensure any risks that may arise is controlled.	Complied Noted Complied Noted

ANNEXURE A - MAJOR LICENCES, PERMITS AND APPROVALS

No.	Licensee	Approving authority	Licence / permit / approval / certificate no.	Description of licence / permit / approval / certificate	Effective date / Expiry date	Material conditions	Status of compliance as at the LPD
						(v) The licensee shall submit a written report on the accidental / emergency exposure within 30 days after the occurrence of such exposure in accordance with Regulation 26(2) of the Atomic Energy Licensing (Basic Safety Radiation Protection) Regulations 2010.	Noted
						(vi) The licensee shall obtain approval from AELB at least 14 days before any changes is made to the responsible person for the licence (being Oon Tee Way) and any certified technician to operate the irradiating apparatus.	Noted
						(vii) The licensee shall send the personnel who has monitored the apparatus to the dose analysis agency within 14 days after one month of use.	Not applicable
24.	CFI	Fire and Rescue Department of Malaysia ("BOMBA")	JBPM: KD/7/3/2022	Fire certificate in relation to the Kulim Factory	22 May 2025 / 21 May 2026	Nil	Not applicable
25.	CFI	BOMBA	JBPM: PP/7/249/2024	Fire certificate in relation to the SJ Factory	4 July 2025 / 3 July 2026	Nil	Not applicable

ANNEXURE A - MAJOR LICENCES, PERMITS AND APPROVALS

No.	Licensee	Approving authority	Licence / permit / approval / certificate no.	Description of licence / permit / approval / certificate	Effective date / Expiry date	Material conditions	Status of compliance as at the LPD
26.	CFI	BOMBA	JBPM: PP/9/035/2024	Fire certificate in relation to the SJ Warehouse	4 July 2025 / 3 July 2026	Nil	Not applicable
27.	Dato' Saw ⁽²⁾	MOH	FSSM061200978 01	Certificate of registration for the Kulim Factory as food premises involved in the manufacturing of food	17 June 2024 / 17 June 2027	Nil	Not applicable
28.	CFI	MOH	FSSM061301397 01	Certificate of registration for SJ Factory as food premises involved in the manufacturing of food	22 June 2025 / 22 June 2028	Nil	Not applicable
29.	CFI	JAKIM	E01312, E01313, E01314, A207438, A207439, A207440, A207441, A236461, A236462	Halal Certificate of Authentication certifying that the applicable products manufactured / distributed / managed by CFI at the Kulim Factory have complied with Islamic Law and Malaysian Halal Standard and approved by Halal Certification Panel of Jabatan Hal Ehwal Agama Islam Negeri Kedah	16 October 2023 – 16 May 2025 / 15 October 2025 – 15 May 2027	Nil	Not applicable

ANNEXURE A - MAJOR LICENCES, PERMITS AND APPROVALS

No.	Licensee	Approving authority	Licence / permit / approval / certificate no.	Description of licence / permit / approval / certificate	Effective date / Expiry date	Material conditions	Status of compliance as at the LPD
30.	CFI	JAKIM	A233369	Halal Certificate of Authentication certifying that CFI as contract manufacturer / original equipment manufacturer (OEM) at the Kulim Factory has complied with Islamic Law and Malaysian Halal Standard and approved by Halal Certification Panel of Jabatan Hal Ehwal Agama Islam Pulau Pinang	16 September 2024 / 15 September 2027	Nil	Not applicable
31.	CFI	JAKIM	A223746, A223747, A223748, A223749, A223750, A223739, A227315	Halal Certificate of Authentication certifying that the applicable products manufactured by CFI at SJ Factory have complied with Islamic Law and Malaysian Halal Standard and approved by Halal Certification Panel of Jabatan Hal Ehwal Agama Islam Pulau Pinang	16 May 2024 – 1 July 2024 / 15 May 2026 – 30 June 2026	Nil	Not applicable

ANNEXURE A - MAJOR LICENCES, PERMITS AND APPROVALS

No.	Licensee	Approving authority	Licence / permit / approval / certificate no.	Description of licence / permit / approval / certificate	Effective date / Expiry date	Material conditions	Status of compliance as at the LPD
32.	CFI	JAKIM	A253672	Halal Certificate of Authentication certifying that CFI as contract manufacturer / original equipment manufacturer (OEM) at the SJ Factory has complied with Islamic Law and Malaysian Halal Standard and approved by Halal Certification Panel of Jabatan Hal Ehwal Agama Islam Pulau Pinang	1 May 2025 / 30 April 2028	Nil	Not applicable
33.	CFI	Kosher London Beth Din	401130403, 269264756, 227507151	Kosher Certificate certifying that the products manufactured by CFI are kosher with indicated status and certification requirements.	6 March 2025 - 11 May 2025 / 19 March 2026	Nil	Not applicable

ANNEXURE A - MAJOR LICENCES, PERMITS AND APPROVALS

No.	Licensee	Approving authority	Licence / permit / approval / certificate no.	Description of licence / permit / approval / certificate	Effective date / Expiry date	Material conditions	Status of compliance as at the LPD
34.	CFI	Intertek Certification	14161509001	Food Safety System Certification FSSC 22000 v5.1 certifying that the food safety management system of CFI at the Kulim Factory has been assessed and certified as meeting the requirements of ISO22000:2018, ISO/TS 22002-1:2009 and FSSC 22000.	10 March 2025 / 20 March 2028	Nil	Not applicable
35.	CFI	Department of Agriculture Malaysia, Ministry of Agriculture and Food Security	MYK 07813	MPCA Certificate certifying that CFI has fulfilled the requirements of the Malaysian Phytosanitary Certification Assurance Scheme (MPCA)	15 December 2023 / 31 December 2025	Nil	Not applicable

ANNEXURE A - MAJOR LICENCES, PERMITS AND APPROVALS

No.	Licensee	Approving authority	Licence / permit / approval / certificate no.	Description of licence / permit / approval / certificate	Effective date / Expiry date	Material conditions	Status of compliance as at the LPD
36.	CFI	Department of Veterinary Services, Ministry of Agriculture and Food Security Malaysia	V263	Veterinary Health Mark Certification certifying that CFI has fulfilled the Department of Veterinary Services requirements and the implementation of QA Program (QAP) and HACCP system for its applicable value-added products of milk	14 November 2023 / 31 December 2025	Nil	Not applicable

Notes:

- Oon Tee Way is our Group's Factory Manager and Dato's Saw is our Promoter, substantial shareholder and Managing Director. Based on the Poisons (Sodium Hydroxide) Regulations 1962, these permits could only be issued to an individual.
- Dato' Saw is our Promoter, substantial shareholder and Managing Director. Based on the Food Hygiene Regulations 2009, this certificate could only be issued to an individual.

ANNEXURE B – MATERIAL PROPERTIES

B.1 Material properties owned by our Group

As at the LPD, details of the material properties owned by our Group are as follows:

No.	Owner	Title details / Postal address	Description / Existing use / Tenure	Land area / Built-up area (sq m)	Date of issuance of CCC or equivalent	Category of land use / Express condition / Restriction in interest	Material encumbrances	Audited NBV as at 31 December 2024 (RM'000)
1.	CFI ⁽¹⁾	<u>Title details</u> H.S.(M) No. 10534, PT No. 24, Kawasan Perindustrian Kulim, Bandar Kulim, Daerah Kulim, Negeri Kedah <u>Postal address</u> Lot 24, Kulim Industrial Estate, 09000 Kulim, Kedah	<u>Description</u> Manufacturing facilities comprising: (i) single-storey factory / warehouse cum office; (ii) annexed 3- storey factory; (iii) 5-storey factory (Spray Dryer Plant 1); (iv) 5-storey factory (Spray Dryer Plant 2); (v) single-storey warehouse; (vi) single-storey production with 5-storey factory (Spray Dryer Plant 3);	<u>Land area</u> 32,375 <u>Built-up area</u> 26,203	29 June 1999 (supplemented with a CF issued on 5 August 1999), 1 December 2013, 21 May 2019, 13 October 2020 and 16 August 2023	<u>Category of land use</u> Industrial <u>Express condition</u> The land contained in this title shall be used for industrial and other related activities only. Residential buildings are prohibited from being constructed on this land. <u>Restriction in interest</u> Nil	1. Lease registered by CFI with Perbadanan Kemajuan Negeri Kedah ("PKNK") on 16 February 1987 and 11 December 2018 via endorsements 191/1987 and 3008/2018, respectively, for a total period of 98 years from 29 January 1986 to 28 January 2084	49,400

ANNEXURE B – MATERIAL PROPERTIES

No.	Owner	Title details / Postal address	Description / Existing use / Tenure	Land area / Built-up area (sq m)	Date of issuance of CCC or equivalent	Category of land use / Express condition / Restriction in interest	Material encumbrances	Audited NBV as at 31 December 2024 (RM'000)
			(vii) single-storey production with 4-storey factory (Spray Dryer Plant 4); (viii) guardhouse; and (ix) other ancillary buildings and structures				2. Charged to CIMB Islamic Bank Berhad on 11 December 2018 3. Sublease registered by Tenaga Nasional Berhad with PKNK on 11 December 2018 via endorsement 3009/2018 for a period of 28 years from 15 May 2017 to 14 May 2045	
			<u>Existing use</u> Kulim Factory ⁽²⁾					
			<u>Tenure</u> Leasehold (99 years, expiring on 28 January 2085)					

Notes:

- (1) Pursuant to the endorsements 191/1987 and 3008/2018, CFI is the registered lessee of the land, with a valid lease term from 29 January 1986 to 28 January 2084. The land is a state-owned leasehold land, with PKNK as the registered owner.
- (2) Please refer to Section 7.26.1 of this Prospectus for details of the subsisting non-compliance in relation to our Kulim Factory.

ANNEXURE B – MATERIAL PROPERTIES

B.2 Material properties tenanted by our Group

As at the LPD, details of material properties rented by our Group are as follows:

No.	Landlord / Tenant	Title details / Postal address	Description / Existing use	Date of issuance of CCC or equivalent	Approximate rented area (sq m)	Tenure / Rental Per Annum
1.	<u>Landlord</u> Mylar <u>Tenant</u> CFI	<u>Title details</u> H.S(D) 31780, PT 3225, Daerah Seberang Perai Tengah, Mukim 01, Negeri Pulau Pinang <u>Postal address</u> 2931, Lorong Jelawat 1, Kawasan Perusahaan Seberang Jaya, 13700 Perai, Penang, Malaysia	<u>Description</u> 2-storey office building with a factory <u>Existing use</u> SJ Factory ⁽¹⁾	30 December 1998 and 24 December 2004	<u>Built-up area</u> 6,663	<u>Tenure</u> 1 February 2025 to 31 January 2026 ⁽²⁾ <u>Rental per annum</u> RM1,008,000
2.	<u>Landlord</u> Family Cereal <u>Tenant</u> CFI	<u>Title details</u> PN 3275, Lot 5025, Mukim 01, Daerah Seberang Perai Tengah, Negeri Pulau Pinang <u>Postal address</u> 2587, Lorong Jelawat 1, Seberang Jaya, 13700 Perai, Pulau Pinang	<u>Description</u> 1-storey office building with a factory <u>Existing use</u> SJ Warehouse ⁽¹⁾	13 April 1991 and 28 October 1993	<u>Built-up area</u> 4,481	<u>Tenure</u> 1 February 2025 to 31 January 2026 ⁽³⁾ <u>Rental per annum</u> RM840,000

ANNEXURE B – MATERIAL PROPERTIES

No.	Landlord / Tenant	Title details / Postal address	Description / Existing use	Date of issuance of CCC or equivalent	Approximate rented area (sq m)	Tenure / Rental Per Annum
3.	<u>Landlord</u> OCSB	<u>Title details</u> PN 8301, Lot 1235 Seksyen 38, Bandar Kulim, Daerah Kulim, Negeri Kedah	<u>Description</u> 1-storey warehouse	25 September 1996	<u>Built-up area</u> 4,048	<u>Tenure</u> 1 February 2025 to 31 January 2026 ⁽⁴⁾
	<u>Tenant</u> CFI	<u>Postal address</u> No. 53A & 53B, Lorong Perusahaan 2, Kawasan Perusahaan Kulim, 09000 Kulim	<u>Existing use</u> OCSB Warehouse ⁽¹⁾			<u>Rental per annum</u> RM600,000

Notes:

- (1) Please refer to Section 7.26.1 of this Prospectus for details of subsisting non-compliances of our material rented properties.
- (2) On 2 January 2025, Mylar (landlord) and CFI (tenant) had entered into a tenancy agreement for the leasing of the SJ Factory for a tenure of one year from 1 February 2025 to 31 January 2026 at the monthly rent of RM84,000. Subsequently, Mylar and CFI had on 24 September 2025 entered into another tenancy agreement for the leasing of the SJ Factory. Please refer to Section 10.1.1 of this Prospectus for salient terms of the tenancy agreement.
- (3) On 2 January 2025, Family Cereal (landlord) and CFI (tenant) had entered into a tenancy agreement for the leasing of the SJ Warehouse for a tenure of one year from 1 February 2025 to 31 January 2026 at the monthly rent of RM70,000. Subsequently, Family Cereal and CFI had on 24 September 2025 entered into another tenancy agreement for the leasing of the SJ Warehouse. Please refer to Section 10.1.1 of this Prospectus for salient terms of the tenancy agreement.
- (4) On 2 January 2025, OCSB (landlord) and CFI (tenant) had entered into a tenancy agreement for the leasing of the OCSB Warehouse for a tenure of one year from 1 February 2025 to 31 January 2026 at the monthly rent of RM50,000. Subsequently, OCSB and CFI had on 24 September 2025 entered into another tenancy agreement for the leasing of the OCSB Warehouse. Please refer to Section 10.1.1 of this Prospectus for salient terms of the tenancy agreement.

ANNEXURE C - INTELLECTUAL PROPERTY RIGHTS

As at the LPD, our Group is the registered owner of the following trademarks which our Group is materially dependent on:

No.	Trademark	Issuing authority	Registered owner	Trademark number	Validity period	Place of registration	Class / Description of trademark	Status
1.		MyIPO	CFI	2018065785	8 August 2018 to 8 February 2028	Malaysia	Class 35 / The bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a retail stores, wholesale outlets, or from a general merchandise web site provided on the global communication network; presentation of goods on communication media, for retail purposes; advertising; distribution of samples; import-export agencies; marketing; publicity; demonstration of goods; business inquiries; business information; online advertising on a computer network; professional business consultancy; business management and organization consultancy; business research; direct mail advertising; outdoor advertising; public relations; business administration; office functions; all included in Class 35.	Registered
2.	HIFAT	MyIPO	CFI	TM202400-9275	1 April 2024 to 1 April 2034	Malaysia	Class 29 / Oils and fats for food; Vegetable fats for food; Powdered cream; Powdered milk, other than for babies; Fats for food; Non-dairy creamer; Milk and milk products; Powdered milk.	Registered

ANNEXURE C - INTELLECTUAL PROPERTY RIGHTS

No.	Trademark	Issuing authority	Registered owner	Trademark number	Validity period	Place of registration	Class / Description of trademark	Status
3.		Intellectual Property Office of the Philippines	CFI	4/2023/52-1448	30 May 2024 to 30 May 2034	Philippines	Class 29 / Coffee creamer; creamers for beverages; non-dairy creamer. Class 40 / Food and drink preservation; irradiation of food; pasteurizing of food and beverages; processing of foodstuffs for use in manufacture; treatment and processing of foodstuffs.	Registered
4.		European Union Intellectual Property Office	CFI	019064056	24 December 2024 to 5 August 2034	European Community	Class 29 / Oils for food; edible fats; powdered milk; milk; milk products; cream dairy products. Class 40 / Food and drink preservation; irradiation of food; pasteurising of food and beverages.	Registered