

14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION



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The Board of Directors
Custom Food Holding Berhad
No. 2931, Lorong Jelawat 1
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DRAFT FOR THE PURPOSE OF
INCLUSION IN THE PROSPECTUS
EXPOSURE

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

DRAFT FOR THE PURPOSE OF
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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.

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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.

	Note	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		
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.



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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.



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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.



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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.



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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.



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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.



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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>



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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)

(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>[•]</u></u>

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