

**THIS PROSPECTUS HAS NOT BEEN REGISTERED BY THE SECURITIES COMMISSION MALAYSIA. THE INFORMATION IN THIS PROSPECTUS MAY BE SUBJECT TO FURTHER AMENDMENTS BEFORE BEING REGISTERED BY THE SECURITIES COMMISSION MALAYSIA. UNDER NO CIRCUMSTANCES SHALL THIS PROSPECTUS CONSTITUTE AN OFFER FOR SUBSCRIPTION OR PURCHASE OF, OR AN INVITATION TO SUBSCRIBE FOR OR PURCHASE SECURITIES.**

## PROSPECTUS



### BESTARI FOOD BERHAD

(Registration No. 202501007201 (1608615-T))  
(Incorporated in Malaysia under the Companies Act 2016)

**INITIAL PUBLIC OFFERING (“IPO”) OF UP TO 133,320,300 ORDINARY SHARES IN BESTARI FOOD BERHAD (“BESTARI FOOD”) (“IPO SHARES”) IN CONJUNCTION WITH THE LISTING OF AND QUOTATION FOR THE ENTIRE ENLARGED ISSUED SHARE CAPITAL OF BESTARI FOOD ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD COMPRISING A PUBLIC ISSUE OF 77,070,300 NEW ORDINARY SHARES IN BESTARI FOOD AND AN OFFER FOR SALE OF UP TO 56,250,000 EXISTING ORDINARY SHARES IN BESTARI FOOD INVOLVING:**

- (I) INSTITUTIONAL OFFERING OF UP TO 100,000,000 IPO SHARES TO INSTITUTIONAL AND SELECTED INVESTORS, INCLUDING BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INVESTMENT, TRADE AND INDUSTRY OF MALAYSIA, AT THE INSTITUTIONAL PRICE TO BE DETERMINED BY WAY OF BOOKBUILDING (“INSTITUTIONAL PRICE”); AND**
- (II) RETAIL OFFERING OF 33,320,300 IPO SHARES TO THE MALAYSIAN PUBLIC AND ELIGIBLE DIRECTORS, EMPLOYEES AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF BESTARI FOOD AND ITS SUBSIDIARIES AT THE RETAIL PRICE OF RM[•] PER IPO SHARE (“RETAIL PRICE”),**

**PAYABLE IN FULL UPON APPLICATION AND SUBJECT TO A 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. THE FINAL RETAIL PRICE WILL BE EQUAL TO THE LOWER OF THE RETAIL PRICE AND THE INSTITUTIONAL PRICE**

*Principal Adviser, Sole Underwriter and Sole Placement Agent*



#### RHB INVESTMENT BANK BERHAD

(Registration No. 197401002639 (19663-P))  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

**NO SECURITIES WILL BE ALLOTTED OR ISSUED BASED ON THIS PROSPECTUS AFTER 6 MONTHS FROM THE DATE OF THIS PROSPECTUS.**

**[THE SECURITIES COMMISSION MALAYSIA (“SC”) HAS APPROVED THE ISSUE, OFFER OR INVITATION OF 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 THE OFFERING 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 THE SECURITIES 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 166.**

**THIS PROSPECTUS IS DATED [•]**

All defined terms used in this Prospectus are defined under "Presentation of Information" on page viii, "Definitions" on page x and "Glossary of Technical Terms" on page xv.

### **RESPONSIBILITY STATEMENTS**

Our Directors, Promoters and Offeror have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. 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 Principal Adviser, 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 from 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 Form, [has 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 any doubt as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

You should not take the agreement by the Sole Underwriter named in this Prospectus to underwrite our IPO Shares as an indication of the merits of our Shares being offered.

### **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 being offered in our IPO are offered solely on the basis of the information contained and representations made in this Prospectus. Our Company, Directors, Promoters, Offeror, Principal Adviser, Sole Underwriter and Sole Placement Agent 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, Offeror, Principal Adviser, Sole Underwriter and Sole Placement Agent, 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 by any regulatory authority of any jurisdiction other than Malaysia.

The distribution of this Prospectus and our IPO are subject to the laws of Malaysia. This Prospectus will not be distributed outside Malaysia. Our Company, Directors, Promoters, Offeror, Principal Adviser, Sole Underwriter and Sole Placement Agent have not authorised and take no responsibility for the distribution of this Prospectus outside Malaysia. No action has been taken to permit a public offering of our Shares in any jurisdiction other than Malaysia based on this Prospectus. 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 be deemed to accept any liability in relation thereto, whether or not any enquiry or investigation is made in connection therewith.

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 have accepted our IPO in Malaysia and will be subject only to the laws of Malaysia in connection therewith. 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. Neither we nor our Principal Adviser, Sole Underwriter and Sole Placement Agent nor any other advisers in relation to our IPO shall accept any responsibility or liability in the event that 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](http://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 secure 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. These risks cannot be borne by the Internet Participating Financial Institutions. If you are in any doubt about the validity or integrity of the electronic Prospectus, you should immediately request from us or our Issuing House, a printed copy of this Prospectus. If there are any discrepancies between the contents of the electronic Prospectus and the printed copy of this Prospectus, the contents of the printed copy of this Prospectus, which are identical to the copy of this 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 do not endorse and are not affiliated in any way with the Third Party Internet Sites. Accordingly, we are not responsible for the availability of, or the contents or any data, information, file or other material 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 are not responsible for the quality of products or services in the Third Party Internet Sites, particularly in fulfilling any of the terms of your agreements with the Third Party Internet Sites. We are also not responsible for any loss or damage or costs 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, information, file or other material provided by the Third Party Internet Sites; and
- (iii) any data, information, file or other material downloaded from the Third Party Internet Sites is carried out at your own discretion and risk. We are not responsible, liable or under obligations for any damage to your computer system or loss of data resulting from the downloading of any such data, information, file or other material.

Where an electronic Prospectus is hosted on the website of the Internet Participating Financial Institutions, you are advised that:

- (i) the Internet Participating Financial Institutions are only liable in respect of the integrity of the contents of the electronic Prospectus, to the extent of the contents of the electronic Prospectus on the web server of the Internet Participating Financial Institutions which may be viewed via your web browser or other relevant software. The Internet Participating Financial Institutions are not responsible for the integrity of the contents of the electronic Prospectus which has been obtained from the web server of the Internet Participating Financial Institutions 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 secure medium; and
- (iii) the Internet Participating Financial Institutions are not liable (whether in tort or contract or otherwise) for any loss, damages or costs, 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, 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.

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**INDICATIVE TIMETABLE**

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An indicative timetable for our IPO is set out below:

<b>Event</b>	<b>Tentative date</b>
Opening of the Institutional Offering	[•]
Issuance of the 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 application for our IPO Shares under the Retail Offering	[•]
Allotment/Transfer of our IPO Shares to successful applicants	[•]
Listing	[•]

If there is any change to the timetable, we will advertise the notice of such change in widely circulated English and Bahasa Malaysia daily newspapers in Malaysia, and make an announcement on the website of Bursa Securities.

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**PRESENTATION OF INFORMATION**

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All references to “our Company” or “Bestari Food” in this Prospectus are to Bestari Food Berhad. All references to “our Group” or “Bestari Food 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 requires, our Company and our subsidiaries.

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 management.

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 thousandth or 1 decimal place. Any discrepancies in the tables between the amounts listed and the totals in this Prospectus are due to rounding. Certain acronyms, technical terms and other abbreviations used are defined in “Definitions” and “Glossary of Technical Terms” sections of this Prospectus.

Words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. References to persons shall include companies and corporations.

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

All references to dates and times are references to dates and times in Malaysia unless otherwise stated. All references to the “LPD” in this Prospectus are to 31 May 2026, which is the latest practicable date prior to 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 market and industry in which we operate as well as 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 there is no source stated, it can be assumed that the information originates from us or is extracted from the IMR Report prepared by Vital Factor Consulting Sdn Bhd, which is included in Section 8 of this Prospectus. We have appointed Vital Factor Consulting Sdn Bhd to provide an independent market and industry review. In compiling its data for the review, Vital Factor Consulting Sdn Bhd had relied on its research methodology, industry sources, published materials, its own private databases and direct contacts within the industry.

We believe that the information on the industry as contained in this Prospectus and other 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. No assurance can be given that the estimated figures will be achieved, and you should not place undue reliance on the third party projections cited in this Prospectus.

The information on our website or any website, directly or indirectly, linked to our website does not form part of this Prospectus. 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.

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**FORWARD-LOOKING STATEMENTS**

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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, prospects, plans and objectives of our Group for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties 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 current views with respect to future events and do not guarantee future performance.

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

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

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors, including, without limitations, 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 terms in this Prospectus bear the same meanings as set out below unless the term is defined otherwise or the context requires otherwise:

**COMPANIES WITHIN OUR GROUP**

<b>Bestari Food or Company</b>	:	Bestari Food Berhad
<b>Bestari Food Group or Group</b>	:	Collectively, our Company and our subsidiaries
<b>Bestari (S)</b>	:	Bestari (S) Pte Ltd, our wholly-owned subsidiary
<b>Bestari Sales</b>	:	Bestari Sales & Marketing Sdn Bhd, our wholly-owned subsidiary
<b>Synerchem (S)</b>	:	Synerchem (S) Pte Ltd, our wholly-owned subsidiary
<b>Synerchem Engineering</b>	:	Synerchem Engineering Sdn Bhd, our wholly-owned subsidiary
<b>Synerchem Food Processing</b>	:	Synerchem Food Processing Industry Sdn Bhd, our wholly-owned subsidiary
<b>Synerchem Ingredients</b>	:	Synerchem Ingredients Sdn Bhd, our wholly-owned subsidiary
<b>Synerchem Services</b>	:	Synerchem Services Sdn Bhd, our wholly-owned subsidiary

**GENERAL**

<b>ACCA</b>	:	Association of Chartered Certified Accountants
<b>Acquisitions</b>	:	Acquisition by Bestari Food of the entire equity interests in the following companies: <ul style="list-style-type: none"> <li>(i) Bestari (S);</li> <li>(ii) Bestari Sales;</li> <li>(iii) Synerchem (S);</li> <li>(iv) Synerchem Engineering;</li> <li>(v) Synerchem Food Processing;</li> <li>(vi) Synerchem Ingredients; and</li> <li>(vii) Synerchem Services</li> </ul> <p>for a total purchase consideration of RM37,292,960, to be satisfied via the issuance of 372,929,600 new Shares to Core Perpetual, as nominated by all the vendors, at an issue price of RM0.10 per Share, which was completed on [●]</p>
<b>Act</b>	:	Companies Act 2016
<b>AGM</b>	:	Annual general meeting
<b>Application</b>	:	Application for our IPO Shares under the Retail Offering by way of the Application Form, Electronic Share Application or Internet Share Application

**DEFINITIONS (CONT'D)**

<b>Application Form</b>	:	Application form for the application of our IPO Shares under the Retail Offering accompanying this Prospectus
<b>ATM</b>	:	Automated teller machine
<b>Authorised Financial Institution</b>	:	Authorised financial institution participating in the Internet Share Application in respect of the payment for our IPO Shares
<b>Bestari HQ</b>	:	Our headquarters comprising a 2-storey production factory annexed with 3-storey office building and single-storey warehouse, located at Lot 29119, Jalan Rajawali Batu 9, Kampung Kebun Baru, 42500 Telok Panglima Garang, Kuala Langat, Selangor
<b>Board</b>	:	Board of Directors of our Company
<b>Bursa Depository</b>	:	Bursa Malaysia Depository Sdn Bhd
<b>Bursa Securities</b>	:	Bursa Malaysia Securities Berhad
<b>CCC</b>	:	Certificate of completion and compliance
<b>CCM</b>	:	Companies Commission of Malaysia
<b>CDS</b>	:	Central Depository System
<b>CFA</b>	:	Certificate for Accommodation
<b>CMSA</b>	:	Capital Markets and Services Act 2007
<b>Constitution</b>	:	Constitution of our Company
<b>Core Perpetual</b>	:	Core Perpetual Sdn Bhd (formerly known as Synerchem Sdn Bhd)
<b>Director</b>	:	A member of our Board and has the meaning given in Section 2 of the Act
<b>EBITDA</b>	:	Earnings before interest, taxation, depreciation and amortisation
<b>Electronic Share Application</b>	:	Application for our IPO Shares made available to the Malaysian Public under the Retail Offering through a Participating Financial Institution's ATM
<b>Eligible Persons</b>	:	Collectively, eligible Directors and employees of our Group and persons who have contributed to the success of our Group
<b>EPS</b>	:	Earnings per Share
<b>ERP</b>	:	Enterprise resource planning
<b>Equity Guidelines</b>	:	Equity Guidelines issued by the SC
<b>F&amp;B</b>	:	Food and beverage
<b>Final Retail Price</b>	:	Final price per IPO Share to be paid by the investors under the Retail Offering, being the lower of the Retail Price and Institutional Price, to be determined on the Price Determination Date

**DEFINITIONS (CONT'D)**

<b>Financial Years Under Review</b>	:	Collectively, the FYE 2023, FYE 2024 and FYE 2025
<b>FYE</b>	:	Financial year ended/ending 31 December, as the case may be
<b>GP</b>	:	Gross profit
<b>ICDM</b>	:	Institute of Corporate Directors Malaysia
<b>IMR Report</b>	:	Independent market research report on the Independent Assessment of the Food Ingredients Industry, Focusing on Food Premixes prepared by Vital Factor Consulting Sdn Bhd as set out in Section 8 of this Prospectus
<b>Institutional Offering</b>	:	Offering of up to 100,000,000 IPO Shares at the Institutional Price, subject to the clawback and reallocation provisions, to institutional and selected investors as well as Bumiputera investors approved by the MITI
<b>Institutional Price</b>	:	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
<b>Internet Participating Financial Institutions</b>	:	Participating financial institutions for the Internet Share Application, which are set out in Section 15.6 of this Prospectus
<b>Internet Share Application</b>	:	Application for our IPO Shares under the Retail Offering through an Internet Participating Financial Institution
<b>IPO</b>	:	Initial public offering comprising the Public Issue and Offer for Sale
<b>IPO Shares</b>	:	Collectively, the Issue Shares and Offer Shares
<b>Issue Shares</b>	:	77,070,300 new Shares to be issued by our Company pursuant to the Public Issue
<b>Issuing House</b>	:	Malaysian Issuing House Sdn Bhd
<b>JAKIM</b>	:	Department of Islamic Development Malaysia
<b>Kapaly</b>	:	Kapaly Distributor (M) Sdn Bhd
<b>Ken Kee</b>	:	Ken Kee (M) Sdn Bhd
<b>Ken Kee Manufacturing</b>	:	Ken Kee Manufacturing (M) Sdn Bhd
<b>Key Senior Management</b>	:	Key senior management of our Group, namely Fong Zhoon Zhen, Gabriel Lai Yung-Yao, Chang Kok Leong and Gary Lai Yung-Hui
<b>Listing</b>	:	Listing of and quotation for the entire enlarged issued share capital of Bestari Food on the Main Market of Bursa Securities
<b>Listing Requirements</b>	:	Main Market Listing Requirements of Bursa Securities
<b>LPD</b>	:	31 May 2026, being the latest practicable date prior to the registration of this Prospectus with the SC
<b>MAICSA</b>	:	Malaysian Institute of Chartered Secretaries and Administrators

**DEFINITIONS (CONT'D)**

<b>Malaysian Public</b>	:	Malaysian citizens, companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
<b>Market Day</b>	:	A day on which Bursa Securities is open for trading in securities
<b>MCCG</b>	:	Malaysian Code on Corporate Governance
<b>MIA</b>	:	Malaysian Institute of Accountants
<b>MITI</b>	:	Ministry of Investment, Trade and Industry of Malaysia
<b>Mokara Kitchen</b>	:	Mokara Kitchen Sdn Bhd (formerly known as Synerchem Kitchen Sdn Bhd)
<b>MyIPO</b>	:	Intellectual Property Corporation of Malaysia
<b>NA</b>	:	Net assets
<b>Nomms</b>	:	Nomms Sdn Bhd
<b>Offer for Sale</b>	:	Offer for sale of up to 56,250,000 Offer Shares by the Offeror by way of private placement to Bumiputera investors approved by the MITI
<b>Offer Shares</b>	:	Up to 56,250,000 existing Shares to be offered pursuant to the Offer for Sale
<b>Offeror</b>	:	Core Perpetual
<b>Official List</b>	:	A list specifying all securities listed on Bursa Securities
<b>Participating Financial Institutions</b>	:	Participating financial institutions for the Electronic Share Application, which are set out in Section 15.5 of this Prospectus
<b>PAT</b>	:	Profit after taxation attributable to owners
<b>PBT</b>	:	Profit before taxation
<b>Pink Form Allocations</b>	:	Allocation of 10,820,300 Issue Shares to the Eligible Persons
<b>Price Determination Date</b>	:	The date on which the Institutional Price and the Final Retail Price will be determined
<b>Promoters</b>	:	Collectively, Core Perpetual and Lai Kok Siong
<b>Prospectus</b>	:	This prospectus dated [●] in relation to our IPO
<b>Prospectus Guidelines</b>	:	Prospectus Guidelines issued by the SC
<b>Public Issue</b>	:	Public issue of 77,070,300 Issue Shares, subject to clawback and reallocation provisions, comprising: <ul style="list-style-type: none"> <li>(i) 22,500,000 Issue Shares for application by the Malaysian Public;</li> <li>(ii) 10,820,300 Issue Shares for application by the Eligible Persons; and</li> <li>(iii) 43,750,000 Issue Shares by way of private placement to institutional and selected investors</li> </ul>

**DEFINITIONS (CONT'D)**

<b>R&amp;D</b>	:	Research and development
<b>Retail Price</b>	:	Initial retail price of RM[●] per IPO Share to be fully paid upon application under the Retail Offering, subject to adjustment as detailed in Section 4.2.1 of this Prospectus
<b>Retail Offering</b>	:	Offering of 33,320,300 Issue Shares at the Retail Price, subject to the clawback and reallocation provisions, to the Malaysian Public and Eligible Persons
<b>RHB Investment Bank or Principal Adviser or Sole Underwriter or Sole Placement Agent</b>	:	RHB Investment Bank Berhad
<b>RM and sen</b>	:	Ringgit Malaysia and sen respectively, the lawful currency of Malaysia
<b>Rules of Bursa Depository</b>	:	Rules of Bursa Depository as issued under the SICDA
<b>SC</b>	:	Securities Commission Malaysia
<b>SDBA</b>	:	Street, Drainage and Building Act 1974
<b>SGD</b>	:	Singapore Dollar, the lawful currency of Singapore
<b>Share Registrar</b>	:	Boardroom Share Registrars Sdn Bhd
<b>Shares</b>	:	Ordinary shares in our Company
<b>SICDA</b>	:	Securities Industry (Central Depositories) Act 1991
<b>sq ft</b>	:	Square feet
<b>Substantial Shareholders</b>	:	Collectively, Core Perpetual, Lai Kok Siong and Lew Tai @ Kong Lew Tai
<b>Underwriting Agreement</b>	:	Underwriting agreement dated [●] entered into between our Company and our Sole Underwriter for the underwriting of 33,320,300 Issue Shares under the Retail Offering

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**GLOSSARY OF TECHNICAL TERMS**


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The following technical terms in this Prospectus bear the same meanings as set out below unless the technical term is defined otherwise or the context requires otherwise:

<b>Anticaking agent</b>	: A food additive added to powdered or granular products to prevent the formation of lumps during processing, packaging, storage, and handling. It functions by reducing particle adhesion, typically through absorbing excess moisture or by coating particles to decrease their tendency to stick together or absorb water
<b>ASRS</b>	: Automated storage and retrieval system, an automated warehousing system for the placement and retrieval of stocks, enabling efficient storage operations and reducing reliance on manual labour
<b>Batter</b>	: A coating mixture made from flour, starch, seasonings and water or another liquid, used to coat food before frying to create a light, crispy outer texture
<b>Breading</b>	: A dry coating process where the food is covered with breadcrumbs, flour and seasoned premixes to produce a thicker and crunchier crust after frying
<b>Casings</b>	: A thin outer covering used to hold or shape sausage or meat mixtures
<b>Dry blending</b>	: A mixing process where the ingredients are combined and mixed without the addition of liquid to achieve a uniform and homogenous blend
<b>Food base premixes</b>	: Refers to premixes formulated to serve as the base component for prepared food products
<b>Food manufacturers</b>	: Companies involved in the production or processing of food products
<b>Food premixes</b>	: Blends of multiple ingredients formulated in precise proportions to achieve specified functions in food preparation, processing or production
<b>Food service operators</b>	: Operators involved in preparing and serving food to consumers. They include restaurants, cafes, food stalls and catering companies
<b>Fritter</b>	: Food item coated in batter and deep-fried to produce a crispy exterior and a soft interior. Fritters can be made with a wide variety of ingredients such as vegetables, fruits, seafood or meats
<b>HORECA</b>	: Hotels, restaurants and cafes or catering
<b>Leavening agent</b>	: An ingredient added to dough or batter that produces gas (typically carbon dioxide) during mixing, fermentation or heating, causing the mixture to expand and resulting in a light, porous texture
<b>Merchandising</b>	: The strategic presentation of products in retail outlets to improve visibility, attract consumer attention, and encourage purchases
<b>MSG</b>	: Monosodium glutamate
<b>Seasoned flour premixes</b>	: Pre-formulated dry mixes consisting of flour as the base ingredient, combined with seasonings and other ingredients
<b>Seasoning premixes</b>	: Pre-formulated blends of seasonings and other ingredients used to provide or enhance the taste and flavour of food products

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**GLOSSARY OF TECHNICAL TERMS (CONT'D)**

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<b>Seasonings</b>	: Ingredients used to enhance or improve the taste, or provide flavour to the food, such as salty, sweet, spicy or aromatic characteristics
<b>Shelf-life</b>	: The period during which a food product remains safe to consume under specified storage conditions
<b>SKU</b>	: Stock keeping unit, a unique identifier for each distinct stocking product that can be purchased
<b>Sodium bicarbonate</b>	: Also known as baking soda, it is a leavening agent that releases carbon dioxide when heated and helps improve volume or texture
<b>Spices</b>	: Refer to plant-derived ingredients such as dried seeds, roots or bark, which are used to enhance flavour, colour, and aroma in food products
<b>Starch</b>	: A type of food ingredient used for cooking, mainly to help thicken, bind or give texture to food
<b>Tempura</b>	: Refers to seafood, vegetables or other ingredients that are coated in light batter and deep-fried until crispy
<b>Vertical form-fill-seal packaging machine</b>	: An automated packaging system that forms the bag from the roll of packaging film, fills the bag with the product to a predetermined weight, and then seals the finished pack in a single continuous vertical motion

**1. CORPORATE DIRECTORY****BOARD OF DIRECTORS**

<b>Name / (Designation)</b>	<b>Address</b>	<b>Nationality / Gender</b>
Badrulnizam Bin Bahaman (Independent Non-Executive Chairman)	A-18-6, DC Residensi 6 Jalan Damanlela Damansara Heights 50490 Kuala Lumpur	Malaysian / Male
Lai Kok Siong (Managing Director)	No. 25, Jalan Anggerik Eria 31/109 Kota Kemuning 40460 Shah Alam Selangor	Malaysian / Male
Gabriel Lai Yung-Yao (Executive Director / Head of Sales & Marketing)	No. 25, Jalan Anggerik Eria 31/109 Kota Kemuning 40460 Shah Alam Selangor	Malaysian / Male
Ow Yin Yee (Independent Non-Executive Director)	No. 49, Jalan Limau Manis Taman Meru 41050 Klang Selangor	Malaysian / Female
Zueraini Binti Ahmad Basri (Independent Non-Executive Director)	A-21-5, The Ridge @ KL East Persiaran Kuarza Melati 53100 Kuala Lumpur	Malaysian / Female
Low Chin Ann @ Han Chin Ann (Independent Non-Executive Director)	No. 1, Lorong BP 1/2 Taman Bukit Permata Sri Gombak 68100 Batu Caves Selangor	Malaysian / Male

**AUDIT AND RISK MANAGEMENT COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Ow Yin Yee	Chairperson	Independent Non-Executive Director
Low Chin Ann @ Han Chin Ann	Member	Independent Non-Executive Director
Zueraini Binti Ahmad Basri	Member	Independent Non-Executive Director

**NOMINATION AND REMUNERATION COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Low Chin Ann @ Han Chin Ann	Chairperson	Independent Non-Executive Director
Ow Yin Yee	Member	Independent Non-Executive Director
Zueraini Binti Ahmad Basri	Member	Independent Non-Executive Director

**1. CORPORATE DIRECTORY (CONT'D)****COMPANY SECRETARIES : Lim Li Heong**

CCM Practising Certificate No. : 202008001981  
 Professional qualification : MAICSA (membership no. 7054716)  
 Telephone no. : (03) 2280 6388

**Wong Mee Kiat**

CCM Practising Certificate No. : 202008001958  
 Professional qualification : MAICSA (membership no. 7058813)  
 Telephone no. : (03) 2280 6388

Level 7, Mercu 3  
 No. 3, Jalan Bangsar  
 KL Eco City  
 59200 Kuala Lumpur

**REGISTERED OFFICE** : Level 7, Mercu 3  
 No. 3, Jalan Bangsar  
 KL Eco City  
 59200 Kuala Lumpur

Telephone no. : (03) 2280 6388

**HEAD OFFICE** : Lot 29119, Jalan Rajawali  
 Batu 9, Kampung Kebun Baru  
 42500 Telok Panglima Garang  
 Kuala Langat  
 Selangor

Telephone no. : (03) 3122 5399  
 Website : [www.bestarifood.com](http://www.bestarifood.com)  
 E-mail : [enquiry@bestarifood.com](mailto:enquiry@bestarifood.com)

**PRINCIPAL ADVISER,  
 SOLE UNDERWRITER  
 AND SOLE PLACEMENT  
 AGENT** : **RHB Investment Bank Berhad**  
 Level 10, Tower One, RHB Centre  
 Jalan Tun Razak  
 50400 Kuala Lumpur

Telephone no. : (03) 9287 3888

**SOLICITORS**  
*(as to the laws of Malaysia)* : **Ong Eu Jin Partnership**  
 Unit 9-1, Level 9, Wisma Mont Kiara  
 No. 1, Jalan Kiara, Mont Kiara  
 50480 Kuala Lumpur

Telephone no. : (03) 6206 2053

**SOLICITORS**  
*(as to the laws of Singapore)* : **Avant Law LLC**  
 10 Anson Road  
 #10-02 International Plaza  
 Singapore 079903

Telephone no. : (65) 6926 9668

**1. CORPORATE DIRECTORY (CONT'D)**

- AUDITORS AND REPORTING ACCOUNTANTS** : **Baker Tilly Monteiro Heng PLT**  
 Baker Tilly Tower  
 Level 10, Tower 1, Avenue 5  
 Bangsar South City  
 59200 Kuala Lumpur
- Telephone no. : (03) 2297 1000  
 Partner : Paul Tan Hong  
 Approval no. : 03459/11/2027 J  
 Professional qualification : • Chartered Accountant of the MIA (membership no. 40209)  
 • Fellow Member of the ACCA (membership no. 0919277)
- INDEPENDENT BUSINESS AND MARKET RESEARCH CONSULTANTS** : **Vital Factor Consulting Sdn Bhd**  
 V Square @ PJ City Centre (VSQ)  
 Block 6, Level 6  
 Jalan Utara  
 46200 Petaling Jaya  
 Selangor
- Telephone no. : (03) 7931 3188  
 Person-in-charge : Wooi Tan  
 Professional 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 the Australian Marketing Institute and the 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** : **Boardroom Share Registrars Sdn Bhd**  
 11<sup>th</sup> Floor, Menara Symphony  
 No. 5, Jalan Prof. Khoo Kay Kim  
 Seksyen 13  
 46200 Petaling Jaya  
 Selangor
- Telephone no. : (03) 7890 4700
- ISSUING HOUSE** : **Malaysian Issuing House Sdn Bhd**  
 11<sup>th</sup> Floor, Menara Symphony  
 No. 5, Jalan Prof. Khoo Kay Kim  
 Seksyen 13  
 46200 Petaling Jaya  
 Selangor
- Telephone no. : (03) 7890 4700
- LISTING SOUGHT** : Main Market of Bursa Securities

## 2. 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.

### 2.1 PRINCIPAL DETAILS OF OUR IPO

Number of new Shares to be issued under the Public Issue	:	77,070,300
Number of existing Shares to be offered under the Offer for Sale	:	Up to 56,250,000
Enlarged number of Shares upon Listing	:	450,000,000
Retail Price	:	RM[●]
Market capitalisation upon Listing (based on the Retail Price and enlarged number of Shares upon Listing)	:	RM[●]

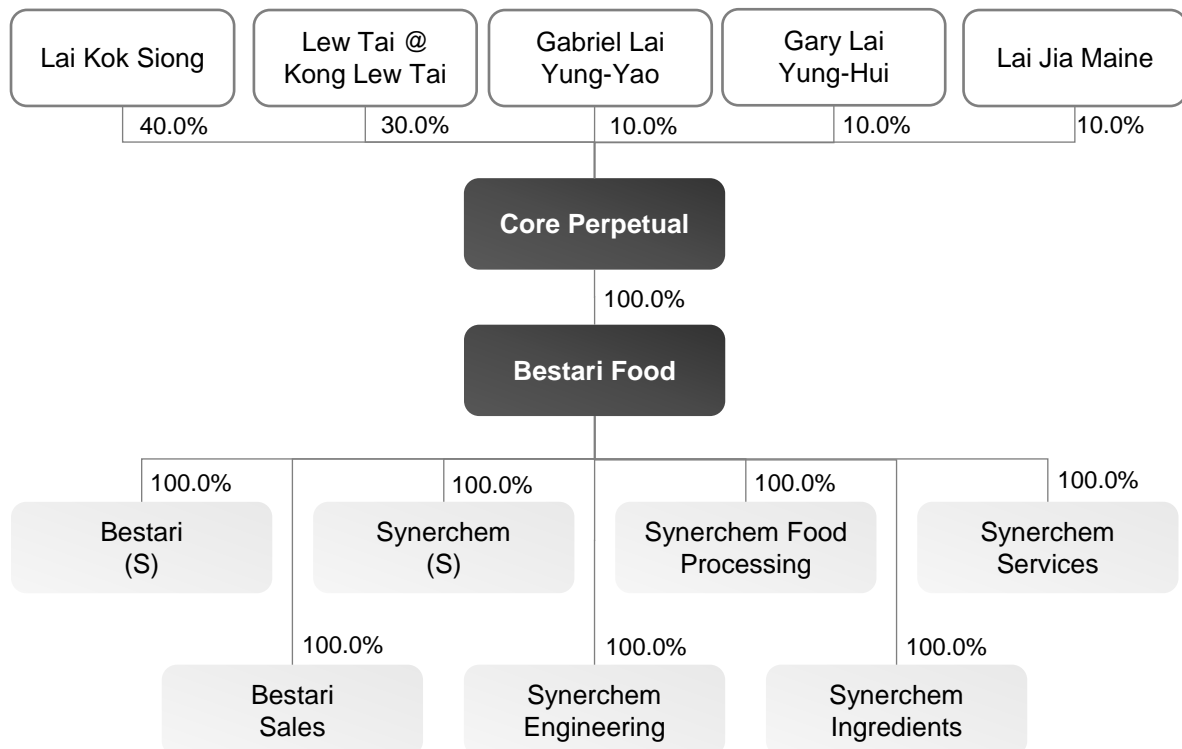
Please refer to Section 4 of this Prospectus for further details of our IPO.

In accordance with the Equity Guidelines, the entire shareholding in our Company held by Core Perpetual after our IPO is subject to moratorium for 6 months from the date of our Listing. In addition, the shareholders of Core Perpetual, namely Lai Kok Siong, Lew Tai @ Kong Lew Tai, Gabriel Lai Yung-Yao, Gary Lai Yung-Hui and Lai Jia Maine, have also undertaken that they will not sell, transfer or assign any of their shareholdings in Core Perpetual for 6 months from the date of our Listing. Further details of the moratorium on our Shares are set out in Section 3.2 of this Prospectus.

### 2.2 OUR BUSINESS

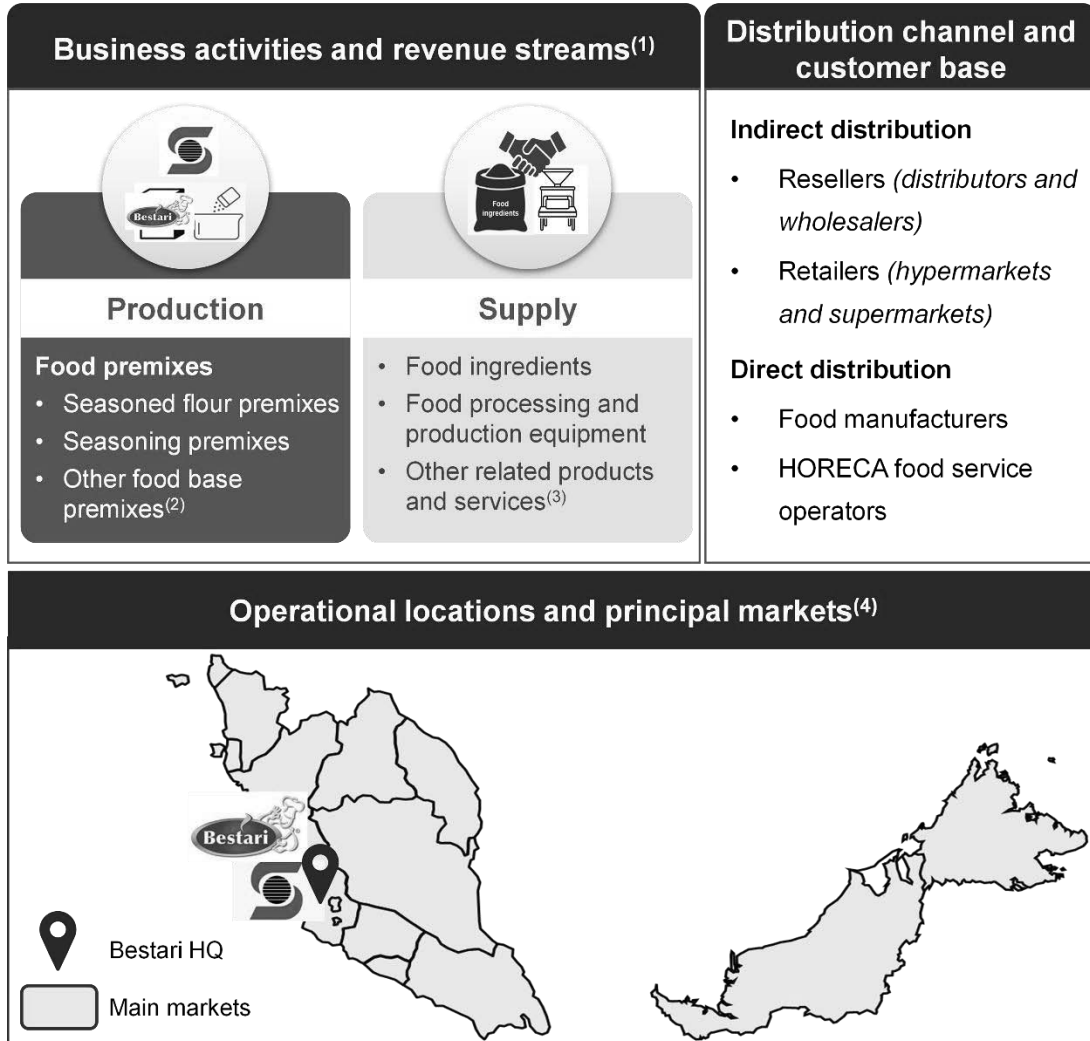
We were incorporated in Malaysia under the Act on 20 February 2025 as a private limited company under the name of Bestari Food Sdn Bhd. On 14 April 2026, we were converted to a public limited company to facilitate our Listing. Subsequently, we completed the Acquisitions on [●].

As at [●], our corporate structure is as follows:



**2. PROSPECTUS SUMMARY (CONT'D)**

We are principally involved in the production of food premixes, which are blends of multiple ingredients formulated in precise proportions to achieve specified functions in food preparation, processing or production. Our food premix products are mainly marketed and sold under our 'Bestari' brand, and are available in various packaging formats, including small retail packs, which are sold in retail outlets, as well as large commercial packs mainly for food manufacturers and HORECA food service operators.



**Notes:**

- (1) For the Financial Years Under Review, our revenue was mainly derived from the production of food premixes, contributing 75.7%, 79.0% and 81.8% respectively, with the remaining derived from the supply segment which accounted for 24.3%, 21.0% and 18.2% of our revenue, respectively.
- (2) Other food base premixes include instant mashed potato mix, custard mix, cream soup premix, and gravy premix.
- (3) Other related products and services include sales of related spare parts for the food processing and production equipment as well as installation, repair and maintenance services.
- (4) Our largest market is Malaysia, which historically accounted for 96.5%, 97.3% and 96.8% of our revenue for the Financial Years Under Review respectively, with the remaining from customers in foreign countries mainly in Singapore and Brunei.

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**2. PROSPECTUS SUMMARY (CONT'D)**

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**2.3 COMPETITIVE ADVANTAGES AND KEY STRENGTHS**

Our competitive advantages and key strengths are:

**(i) We have an established track record of 33 years in the food ingredients industry**

We have an established track record of 33 years in the food ingredients industry, dating back to 1993, when we began supplying food ingredients and subsequently expanded into the supply of food processing and production equipment in 1995, through Core Perpetual. In 2002, through Synerchem Food Processing, we expanded into the production of food premixes. Since our establishment, we continually expanded our product offerings and introduced new products to meet consumers' requirements. Our long operating history has enabled us to accumulate industry and market knowledge, supporting our understanding of customer needs and market practices. Our established track record provides a foundation for customer confidence in our products, supporting our ability to secure new customers, enter new markets, and sustain and grow our business.

**(ii) We have an established brand presence to drive the growth of our business**

Our products are distributed through multiple channels, including our network of distributors and retailers, as well as directly to food manufacturers and HORECA food service operators. The consistent use of our 'Bestari' brand across these channels, such as our in-house food premixes and repackaged food ingredients, enhances product visibility, supports recognition among diverse customer segments and reinforces brand recall. As a result, we have established strong brand equity within both the retail and commercial markets. Our established brand presence, combined with ongoing product innovation and a multi-channel distribution strategy, strengthens our market positioning and fosters long-term customer relationships, supporting the sustainable growth of our business.

**(iii) We have an established distribution network providing wide market coverage**

Our distribution model enables efficient market penetration without significant investment in owned logistics and retail infrastructure, allowing us to scale our operations cost-effectively. In addition, our established relationships with distributors and key retail chains support consistent product availability, timely replenishment and effective execution of sales and promotional activities. The breadth and depth of our distribution network also enhance our ability to introduce new products by leveraging existing channels to expand market reach and increase our customer base. These factors strengthen our market presence and support the continued growth of our business.

**(iv) Our products are used across multiple levels of the food value chain**

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

**(v) We have a diversified product portfolio that supports cross-selling opportunities**

Our diversified product portfolio enables us to position ourselves as capable of meeting a wide range of customer requirements across different stages of food preparation and production. This allows us to serve customers across multiple segments of the food value chain while creating opportunities to cross-sell complementary products. The combination of our in-house production of food premixes as well as supply of food ingredients and food processing and production equipment, enhances our ability to strengthen customer relationships and increase our share of customers' procurement spending.

## 2. PROSPECTUS SUMMARY (CONT'D)

**(vi) We have an integrated production facility and automated warehousing systems to support operational efficiency**

Our operations are supported by an integrated production facility where key production processes for our food premixes are carried out using integrated mixing and packaging lines. The integration of these processes within a single production line enables improved coordination of production activities and control over formulation consistency and production scheduling. In addition, our warehouse operations are supported by our ASRS smart warehouse to manage the storage and retrieval of input materials and finished goods.

**(vii) We have a comprehensive nationwide market coverage in Malaysia**

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

**(viii) We are led by experienced Managing Director, Executive Director and Key Senior Management to drive our business growth**

We have an experienced management team headed by Lai Kok Siong (our Managing Director) and Gabriel Lai Yung-Yao (our Executive Director / Head of Sales & Marketing). Our Managing Director brings with him more than 37 years of experience in the food production, food ingredients and food processing machinery industries. He is supported by our Executive Director / Head of Sales & Marketing, who brings with him more than 13 years of experience in the food production, food ingredients and food processing machinery industries.

Please refer to Section 7.3 of this Prospectus for further details of our competitive advantages and key strengths.

## 2.4 STRATEGIES AND PLANS

Our strategies and plans are as follows:

**(i) Set up a new production facility**

We plan to acquire a parcel of industrial land of approximately 10 acres and construct a new production facility. Upon completion, the first phase of our new production facility is expected to serve as our additional operational site to support our expansion by increasing our production capacity for existing and new food premixes, facilitating our expansion into ingredient processing activities, namely spice grinding, and implementing silo systems for the storage of input materials.

**(ii) Purchase new machinery and equipment**

We plan to purchase new machinery and equipment to be installed at our new production facility, to support our expansion in the production of food premixes and the storage of our key input materials. These include 4 integrated mixing and packaging lines for the production of food premixes. In addition, we plan to install 4 silo systems for the storage of input materials, mainly wheat flour. Each silo system will have a storage capacity of 25 tonnes, and we plan to install these silo systems at our new production facility after the completion of construction of the factory. We also plan to install 2 automated end-of-line packaging and handling systems, for carton packaging, palletising and handling of finished products, which are expected to improve operational efficiency and reduce dependency on manual labour.

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**2. PROSPECTUS SUMMARY (CONT'D)**

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**(iii) Expansion into ingredient processing activities**

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

**(iv) Expansion of product range**

As a producer of food premixes, our product development is an ongoing process to broaden our product range to respond to evolving customer requirements and market preferences. In the near term, we intend to focus on the development of a new range of seasoned flour premixes, seasoning premixes and food base premixes to cater for various food applications. We also plan to introduce new flavours and variants of existing products to attract new customers and increase purchases from existing customers, as well as to enhance formulations of our existing products.

**(v) Foreign market expansion**

Our strategy is to expand our reach into foreign markets to grow our business across regions, including Southeast Asia. We plan to leverage overseas resellers, utilising their established networks to access new markets without significant investment in resources or facilities in those countries. We also plan to continue growing our export footprint by appointing new distributors in Southeast Asia to strengthen our regional presence and market penetration.

**(vi) Expand marketing activities**

We plan to continue our focus on sales and marketing to increase brand awareness, enhance brand visibility and recognition, and strengthen product visibility. This includes participating in exhibitions, deploying additional billboard advertising campaigns, developing digital marketing content and undertaking on-ground promotional activities.

Please refer to Section 7.18 of this Prospectus for further details of our strategies and plans.

**2.5 RISK FACTORS**

The following is a summary of the key risks relating to our business and operations that we are currently facing or that may develop in the future:

**(i) We are exposed to input material price fluctuations, particularly flour**

As a producer of food ingredient premixes, we are exposed to fluctuations in input material prices, particularly wheat flour, which constitutes a significant portion of our purchases. Prices of flour and other food ingredients are inherently volatile and influenced by global commodity market conditions, including supply disruptions arising from adverse weather, geopolitical developments and trade restrictions, as well as fluctuations in energy, fertiliser, and transportation costs. Any significant or sustained increase in the prices of wheat flour, seasonings or other food ingredients may result in higher production costs. Our ability to mitigate such increases depends on our ability to pass them on to customers through price adjustments, which may not always be possible in full or in a timely manner due to competitive pressures, contractual arrangements or customer sensitivity to price changes. This may adversely affect our profit margins and results of operations.

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**2. PROSPECTUS SUMMARY (CONT'D)**

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**(ii) We are exposed to supply chain disruptions, particularly in relation to imported input materials**

Our operations depend on the timely and consistent supply of input materials, including wheat flour and certain seasoning inputs, a portion of which are sourced from domestic and foreign suppliers. As such, we are exposed to risks associated with supply chain disruptions, including shipping delays, logistical constraints, geopolitical developments and changes in import regulations. Disruptions to global shipping and logistics networks may arise from circumstances beyond our control, including adverse weather conditions, geopolitical tensions, trade restrictions, social unrest, outbreaks of diseases, port congestion or strikes, and delays or loss of shipments. Recent geopolitical developments, including conflicts in the Middle East and disruptions to key maritime routes such as the Strait of Hormuz, have affected global shipping conditions and energy supply, contributing to increased uncertainty in logistics and supply chains.

**(iii) We are subject to inflationary pressures, including increases in input materials, logistics and operating costs, which may affect our profitability and sales**

Our business, comprising the production of food premixes and the supply of other food ingredients, is subject to inflationary pressures. The cost of input materials may increase due to inflationary pressures, while our operating expenses, including utilities, fuel, logistics, and labour, may also rise. Any sustained increase in input material, freight or operating costs may increase our overall cost base. Our ability to mitigate such increases depends on our ability to pass them on to customers through price adjustments, which may not always be possible in full or on a timely basis due to competitive pressures and customer sensitivity to price changes. This may adversely affect our profit margins and financial performance.

**(iv) We are dependent on a major customer and are exposed to risks associated with our reliance on appointed distributors**

We are dependent on a major customer, namely Kapaly, which is our appointed distributor for Selangor, Kuala Lumpur and Putrajaya. As at the LPD, we have a subsisting distribution agreement with Kapaly, which is subject to annual renewal. There can be no assurance that this agreement will be renewed or that Kapaly will continue to act as our distributor. Any termination of this relationship, or a significant reduction in orders from Kapaly, may require us to appoint one or more new distributors. There can be no assurance that we will be able to replace Kapaly with customers of a similar scale or within a reasonable timeframe, which may adversely affect our financial performance. Any deterioration in the financial condition or operational capabilities of our distributors, or any adverse actions affecting their businesses, may negatively impact their ability to purchase or distribute our products.

**(v) We do not have long-term contracts or purchase orders, and our business depends on our ability to continually secure new orders**

Our sales are mainly based on confirmed purchase orders, and we generally do not enter into long-term contracts or maintain purchase orders with durations exceeding 1 year. As a result, our revenue is largely non-recurring once orders are fulfilled or delivered. In this respect, our business and financial performance depend on our ability to consistently secure new orders from both existing and new customers. There can be no assurance that we will be able to maintain or increase our sales volume, or that existing customers will continue to place orders at historical levels. The lack of long-term purchase commitments also limits our revenue visibility and may result in fluctuations in order volumes and demand patterns. Customer purchasing decisions may be influenced by various factors beyond our control, including changes in consumer preferences, competitive pricing, availability of alternative suppliers, economic conditions and inventory management strategies of our customers.

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

## 2. PROSPECTUS SUMMARY (CONT'D)

### 2.6 DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, our Directors and Key Senior Management are as follows:

<b>Name</b>	<b>Designation</b>
<b><u>Directors</u></b>	
Badrulnizam Bin Bahaman	Independent Non-Executive Chairman
Lai Kok Siong	Managing Director
Gabriel Lai Yung-Yao	Executive Director / Head of Sales & Marketing
Ow Yin Yee	Independent Non-Executive Director
Zueraini Binti Ahmad Basri	Independent Non-Executive Director
Low Chin Ann @ Han Chin Ann	Independent Non-Executive Director
<b><u>Key Senior Management</u></b>	
Fong Zhooon Zhien	Chief Financial Officer
Gabriel Lai Yung-Yao	Executive Director / Head of Sales & Marketing
Chang Kok Leong	Head of Engineering
Gary Lai Yung-Hui	Head of Production

Please refer to Section 5 of this Prospectus for further details of our Directors and Key Senior Management.

### 2.7 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

The details of our Promoters and Substantial Shareholders, and their respective shareholdings in our Company before and after our IPO, are as follows:

<b>Name / Nationality or Country of Incorporation</b>	<b>After the Acquisitions / Before our IPO</b>				<b>After the Public Issue</b>			
	<b>Direct</b>		<b>Indirect</b>		<b>Direct</b>		<b>Indirect</b>	
	<b>No. of Shares (<sup>'000</sup>)</b>	<b>%</b>	<b>No. of Shares (<sup>'000</sup>)</b>	<b>%</b>	<b>No. of Shares (<sup>'000</sup>)</b>	<b>(<sup>1</sup>)%</b>	<b>No. of Shares (<sup>'000</sup>)</b>	<b>(<sup>1</sup>)%</b>
<b><u>Promoters and Substantial Shareholders</u></b>								
Core Perpetual / Malaysia	372,930	100.0	-	-	372,930	82.9	-	-
Lai Kok Siong / Malaysian	-	-	( <sup>2</sup> )372,930	100.0	-	-	( <sup>2</sup> )372,930	82.9
<b><u>Substantial Shareholder</u></b>								
Lew Tai @ Kong Lew Tai / Malaysian	-	-	( <sup>2</sup> )372,930	100.0	-	-	( <sup>2</sup> )372,930	82.9

**2. PROSPECTUS SUMMARY (CONT'D)**

Name / Nationality or Country of Incorporation	After the Offer for Sale			
	Direct		Indirect	
	No. of Shares ( '000)	(1)%	No. of Shares ( '000)	(1)%
<b>Promoters and Substantial Shareholders</b>				
Core Perpetual / Malaysia	316,680	70.4	-	-
Lai Kok Siong / Malaysian	-	-	(2)316,680	70.4
<b>Substantial Shareholder</b>				
Lew Tai @ Kong Lew Tai / Malaysian	-	-	(2)316,680	70.4

**Notes:**

- (1) Based on our enlarged total number of 450,000,000 Shares after our IPO.
- (2) Deemed interested pursuant to Section 8(4) of the Act by virtue of his / her shareholding in Core Perpetual.

Please refer to Section 5 of this Prospectus for further details of our Promoters and Substantial Shareholders.

**2.8 USE OF PROCEEDS**

We expect to use the gross proceeds from the Public Issue amounting to approximately RM[•] million in the following manner:

Details	RM'000	%	Estimated time frame for use of proceeds from the date of our Listing
Capital expenditure			
- Setting up a new production facility	[•]	[•]	Within 36 months
- Purchase of new machinery and equipment	[•]	[•]	Within 36 months
Marketing expenses	[•]	[•]	Within 6 months
Estimated listing expenses	[•]	[•]	Within 1 month
	<u>[•]</u>	<u>100.0</u>	

There is no minimum subscription to be raised from our IPO. The Offer for Sale will raise gross proceeds of up to approximately RM[•] million which will accrue entirely to our Offeror.

Please refer to Section 4.4 of this Prospectus for further details of the use of proceeds arising from the Public Issue.

## 2. PROSPECTUS SUMMARY (CONT'D)

### 2.9 FINANCIAL HIGHLIGHTS

The table below sets out financial highlights based on our audited combined financial statements for the Financial Years Under Review:

	<-----Audited----->		
	FYE 2023	FYE 2024	FYE 2025
	(RM'000)	(RM'000)	(RM'000)
Revenue	137,865	160,691	175,323
GP	48,914	63,537	81,986
PBT	12,022	22,253	41,572
PAT	9,183	16,544	31,032
NA	62,685	26,193	42,687
Total borrowings (excluding lease liabilities)	35,104	55,845	32,547
GP margin <sup>(1)</sup> (%)	35.5	39.5	46.8
EBITDA <sup>(2)</sup>	15,449	26,954	49,592
EBITDA margin <sup>(1)</sup> (%)	11.2	16.8	28.3
PBT margin <sup>(1)</sup> (%)	8.7	13.8	23.7
PAT margin <sup>(1)</sup> (%)	6.7	10.3	17.7
Basic and diluted EPS <sup>(3)</sup> (sen)	2.0	3.7	6.9
Trade receivables turnover period (days)	89	84	75
Trade payables turnover period (days)	38	35	37
Inventories turnover period (days)	76	67	71
Current ratio (times)	2.2	1.4	1.9
Gearing ratio (times)	0.6	2.1	0.8

#### Notes:

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

(2) Computed as follows:

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

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

The financial highlights presented above should be read in conjunction with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" as set out in Section 12.3 of this Prospectus and the Accountants' Report, together with its related notes, as set out in Section 13 of this Prospectus.

## 2. PROSPECTUS SUMMARY (CONT'D)

### 2.10 DIVIDEND POLICY

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

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

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

**Notes:**

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

Subsequent to the FYE 2025 and up to the LPD, there were no dividends declared by us or our subsidiaries, save for an interim dividend amounting to RM1.5 million for the FYE 2026 which was paid in March 2026. The said dividend was funded via our internally generated funds, which were in excess of our Group's funding requirements for our business operations and is not expected to affect our business strategies and plans going forward.

Our Group also intends to declare an interim dividend of up to RM23.5 million for the FYE 2026. The said dividend is expected to be paid in September 2026 and will be funded via our internally generated funds and is not expected to affect our Group's funding requirements or the implementation of our strategies and plans going forward.

Please refer to Section 9.3.5 of this Prospectus for the risk factor which may affect our ability to pay dividends. No inference should be made from any of the foregoing statements as to our actual future profitability or our ability to pay dividends in the future. Please refer to Section 12.7 of this Prospectus for further details of our dividend policy.

### 3. APPROVALS AND CONDITIONS

#### 3.1 APPROVALS AND CONDITIONS

##### 3.1.1 SC

The SC has, via its letter dated [●], approved our IPO and Listing under Section 214(1) of the CMSA, subject to the following condition:

Condition imposed	Status of compliance
[●]	[●]

The SC has also, via its letter dated [●], approved our application under the Bumiputera equity requirement for public listed companies pursuant to our Listing, subject to Bestari Food allocating Shares equivalent to 12.5% of our enlarged number of issued Shares upon our Listing to Bumiputera investors to be approved by the MITI. In addition, Bestari Food is to make available at least 50.0% of the Shares offered to the Malaysian public investors via balloting to Bumiputera public investors.

##### 3.1.2 Bursa Securities

Bursa Securities has, via its letter dated [●], approved the admission of Bestari Food to the Official List and our Listing, subject to the following conditions:

Condition imposed	Status of compliance
[●]	[●]

##### 3.1.3 MITI

MITI has, via its letter dated [●], stated that it has taken note and has no objection to our Listing.

#### 3.2 MORATORIUM ON OUR SHARES

Pursuant to Paragraph 5.29(a) of the Equity Guidelines, Core Perpetual is not allowed to, and has undertaken not to, sell, transfer or assign any of its shareholding of 316,679,700 Shares, representing approximately 70.4% equity interest in our Company as at the date of our Listing, for 6 months from the date of our Listing. In addition, all the shareholders of Core Perpetual have also undertaken not to sell, transfer or assign any of their shareholdings in Core Perpetual for a period of 6 months from the date of our Listing, as set out below:

Name	No. of ordinary shares in Core Perpetual to be held under moratorium	%
Lai Kok Siong	500,000	40.0
Lew Tai @ Kong Lew Tai	375,000	30.0
Gabriel Lai Yung-Yao	125,000	10.0
Gary Lai Yung-Hui	125,000	10.0
Lai Jia Maine	125,000	10.0
	<b>1,250,000</b>	<b>100.0</b>

The above moratoriums are specifically endorsed on the share certificates representing their shareholdings which are under moratorium to ensure that our Share Registrar does not register any transfer that is not in compliance with the moratorium restrictions. In compliance with the restrictions, Bursa Depository will, on our Share Registrar's instructions in the prescribed forms, ensure that the trading of these Shares is not permitted during the moratorium period.

## 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 as set out in Section 4.1.4 of this Prospectus:

#### 4.1.1 Public Issue

The Public Issue of 77,070,300 Issue Shares, representing approximately 17.1% of our enlarged total number of issued Shares, at the Retail Price or Institutional Price, is subject to the terms and conditions of this Prospectus and shall be allocated in the following manner:

##### (i) Malaysian Public

22,500,000 Issue Shares, representing 5.0% of our enlarged total number of issued Shares, will be made available for application by the Malaysian Public by way of balloting, of which 50.0% will be set aside for Bumiputera investors.

##### (ii) Eligible Persons

10,820,300 Issue Shares (being Pink Form Allocations), representing approximately 2.4% of our enlarged total number of issued Shares, will be reserved for application by the Eligible Persons as follows:

Eligible Persons	Number of Eligible Persons	Aggregate number of Pink Form Allocations
Eligible Directors of our Group	4	400,000
Eligible employees	[•]	2,000,000
Persons who have contributed to the success of our Group	[•]	8,420,300
	<u>[•]</u>	<u>10,820,300</u>

The allocation to our eligible Directors is based on, among others, their respective roles, responsibilities and anticipated contributions to our Group. The number of Issue Shares to be allocated to our eligible Directors is as follows:

Eligible Directors	Designation	No. of Pink Form Allocations
Badrulnizam Bin Bahaman	Independent Non-Executive Chairman	100,000
Ow Yin Yee	Independent Non-Executive Director	100,000
Zueraini Binti Ahmad Basri	Independent Non-Executive Director	100,000
Low Chin Ann @ Han Chin Ann	Independent Non-Executive Director	100,000
		<u>400,000</u>

The criteria for allocation to our eligible employees who have contributed to the success of our Group (as approved by our Board) are based on, among others, the following factors:

- (a) the eligible employee must be a full time and confirmed employee of our Group and on our Group's payroll; and
- (b) the number of Issue Shares allocated to the eligible employees is based on their seniority, job grade, length of service, past performance and contributions to our Group.

**4. DETAILS OF OUR IPO (CONT'D)**

The number of Issue Shares to be allocated to our Key Senior Management is as follows:

<b>Key Senior Management</b>	<b>Designation</b>	<b>No. of Pink Form Allocations</b>
Fong Zhooon Zhien	Chief Financial Officer	250,000
Chang Kok Leong	Head of Engineering	250,000
		<b>500,000</b>

The allocation to the persons who have contributed to the success of our Group such as, among others, our business associates and suppliers, shall be based on their length of business relationship with our Group and their level of support and contribution to the success of our Group.

**(iii) Private placement**

43,750,000 Issue Shares, representing approximately 9.7% of our enlarged total number of issued Shares, will be made available for subscription at the Institutional Price by way of private placement to institutional and selected investors.

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#### 4. DETAILS OF OUR IPO (CONT'D)

##### 4.1.2 Offer for Sale

Our Offeror will offer up to 56,250,000 Offer Shares, representing approximately 15.1% of our existing total number of Shares before our IPO and up to 12.5% of our enlarged total number of issued Shares, at the Institutional Price by way of private placement to Bumiputera investors approved by the MITI. The details of our Offeror are as follows:

Name / Address	Nature of relationship	Shareholding before our IPO		Offer for Sale			Shareholding after our IPO	
		No. of Shares	<sup>(1)</sup> %	No. of Shares	<sup>(1)</sup> %	<sup>(2)</sup> %	No. of Shares	<sup>(2)</sup> %
<b>Core Perpetual</b>  No. 13, Jalan Anggerik Mokara 31/60 Kota Kemuning Industrial Park 40460 Shah Alam Selangor	Promoter and Substantial Shareholder	372,929,700	100.0	56,250,000	15.1	12.5	316,679,700	70.4

**Notes:**

- (1) Based on our total number of 372,929,700 Shares after the Acquisitions.
- (2) Based on our enlarged total number of 450,000,000 Shares after our IPO.

Based on the Retail Price, the Offer for Sale will raise gross proceeds of up to approximately RM[●] million, which will accrue entirely to our Offeror. The Offer Shares are not underwritten as they will be made available for subscription by way of private placement to Bumiputera investors approved by the MITI, the expenses of which will be fully borne by our Offeror.

#### 4. DETAILS OF OUR IPO (CONT'D)

##### 4.1.3 Underwriting and allocation of the IPO Shares

A summary of our IPO Shares offered under the Retail Offering and Institutional Offering (subject to the clawback and reallocation provisions as set out in Section 4.1.4 of this Prospectus) is as follows:

	Issue Shares		Offer Shares		IPO Shares	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(1)%
<b>Retail Offering</b>						
Malaysian Public (via balloting)						
• Bumiputera	11,250,000	2.5	-	-	11,250,000	2.5
• Non-Bumiputera	11,250,000	2.5	-	-	11,250,000	2.5
Eligible Persons	10,820,300	2.4	-	-	10,820,300	2.4
<b>Institutional Offering</b>						
Private placement						
• Institutional and selected investors	43,750,000	9.7	-	-	43,750,000	9.7
• Bumiputera investors approved by the MITI	-	-	56,250,000	12.5	56,250,000	12.5
	<b>77,070,300</b>	<b>17.1</b>	<b>56,250,000</b>	<b>12.5</b>	<b>133,320,300</b>	<b>29.6</b>

**Note:**

(1) Based on the enlarged total number of 450,000,000 Shares after our IPO.

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

Our IPO is subject to the public spread requirements as stipulated under the Listing Requirements.

The number of IPO Shares will not increase via any over-allotment or “greenshoe” option.

##### 4.1.4 Clawback and reallocation

The Retail Offering and Institutional Offering shall be subject to the following clawback and reallocation provisions:

- (i) if our IPO Shares allocated to the Bumiputera investors approved by the MITI (“**MITI Tranche**”) are under-subscribed, and there is an over-subscription for our IPO 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, the IPO Shares will be clawed back from the remaining MITI Tranche and allocated in the following manner:

- (a) firstly, to the Malaysian institutional investors under the Institutional Offering; and
- (b) secondly, if there is a corresponding over-subscription for our IPO Shares by the Malaysian Public under the Retail Offering, to the Malaysian Public under the Retail Offering;

#### 4. DETAILS OF OUR IPO (CONT'D)

- (ii) if our IPO Shares allocated to the Eligible Persons are under-subscribed following the allocation procedures of the Excess Shares (as defined below) set out below, such IPO 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 Sole Placement Agent 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 may be clawed back from the Institutional Offering and allocated to the Retail Offering; and
- (iv) subject to items (i) and (ii) above, if there is an over-subscription in the Institutional Offering and there is a corresponding under-subscription in the Retail Offering, our IPO Shares may be clawed back from the Retail Offering and allocated to the Institutional Offering.

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

Any IPO 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 IPO Shares (if any) in addition to their pre-determined allocation of IPO Shares. The Excess Shares will be allocated to these other Eligible Persons 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.

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 IPO Shares under the Retail Offering not applied for after being subject to the clawback and reallocation provisions above shall be underwritten by our Sole Underwriter in accordance with the terms and conditions of the Underwriting Agreement.

Notwithstanding the above, in the event 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 the Public Issue. Thereafter, any additional subscription for our IPO Shares will be allocated from the Offer Shares offered by the Offeror under the Offer for Sale and any remaining Offer Shares not subscribed for after the aforementioned allocation will be retained by the Offeror. For the avoidance of doubt, the Public Issue will take priority over the Offer for Sale in the event of an under-subscription of our IPO Shares.

Our IPO Shares will be allocated in a fair and equitable manner and the basis of allocation for such IPO Shares shall take into account the desirability of distributing our IPO Shares to a reasonable number of applicants with a view of broadening our Company's shareholding base to meet the public shareholding spread requirements of Bursa Securities and to establish a liquid market for our Shares.

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

- (i) there are no substantial shareholders, Directors or Key Senior Management who have indicated that they intend to subscribe for our IPO Shares, save for the IPO Shares made available for application under the Pink Form Allocations; and
- (ii) there is no person who intends to subscribe for more than 5.0% of our IPO Shares.

#### 4. DETAILS OF OUR IPO (CONT'D)

##### 4.1.5 Share capital

	<u>No. of Shares</u>	<u>RM'000</u>
Issued share capital after the Acquisitions	372,929,700	37,293
New Shares to be issued under the Public Issue	77,070,300	<sup>(1)</sup> [●]
<b>Enlarged issued share capital upon Listing</b>	<b><u>450,000,000</u></b>	<b><u>[●]</u></b>
Existing Shares to be offered under the Offer for Sale	56,250,000	[●]

**Note:**

- (1) After deducting the estimated listing expenses of approximately RM[●] million which is directly attributable to the issuance of our IPO Shares and offset against our share capital.

The Offer for Sale would not have any effect on our issued share capital as the Offer Shares are our existing Shares prior to our IPO.

##### 4.1.6 Classes of shares and ranking

As at the date of this Prospectus, we have only 1 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 dividends, rights and distributions that may be declared, paid or made after the date of allotment of the Issue Shares, subject to any applicable Rules of Bursa Depository.

The Offer Shares will rank equally in all respects with our other existing Shares including voting rights, and will be entitled to all rights, dividends and distributions that may be declared after the date of transfer of the Offer Shares, subject to any applicable Rules of Bursa Depository.

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

At our general meeting, each shareholder shall be entitled to vote in person, by proxy, by attorney or by other duly authorised representative. Subject to the Listing Requirements, any resolution put to vote at the meeting shall be decided by way of poll. On a poll, each shareholder present either in person or by proxy, attorney or other duly authorised representative, shall have 1 vote for every Share held or represented. A proxy may but need not be a member of our Company.

##### 4.1.7 Minimum subscription level

There is no minimum subscription level in terms of the amount of proceeds to be raised from our IPO. However, in order to comply with the public shareholding spread requirements of the Listing Requirements, the minimum subscription level in terms of the number of Shares will be the number of Shares required to be held by public shareholders. Under the Listing Requirements, we are required to have at least 25.0% 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 our Listing.

## 4. DETAILS OF OUR IPO (CONT'D)

If the aforementioned public shareholding spread requirement is not met, we may not be able to proceed with our Listing. In such event, monies paid in respect of all applications for our IPO Shares will be returned in full without interest. If such monies are not returned in full within 14 days after we become liable to do so, the provision of Section 243(2) of the CMSA shall apply whereby in addition to our liability, our officers shall be jointly and severally liable to repay such monies with interest at the rate of 10% per annum or at such other rate as may be prescribed by the SC from the expiration of that period. Please refer to Section 9.3.4 of this Prospectus for details in the event there is a delay in or termination of our Listing.

### 4.2 BASIS OF ARRIVING AT THE PRICE OF OUR IPO SHARES

#### 4.2.1 Retail Price

Our Directors, Promoters and Offeror have determined the Retail Price of RM[●] per IPO Share in consultation with our Principal Adviser, Sole Underwriter and Sole Placement Agent, based on the following factors:

- (i) our EPS of approximately 6.9 sen based on our audited combined PAT of approximately RM31.0 million for the FYE 2025 and our enlarged total number of 450,000,000 Shares after our IPO, which translates into a price-to-earnings multiple of approximately [●] times;
- (ii) our pro forma combined NA per Share of RM[●] as at 31 December 2025 based on our enlarged total number of 450,000,000 Shares after our IPO and after taking into consideration the use of proceeds from the Public Issue;
- (iii) our operating history and financial performance as set out in Sections 6 and 12 of this Prospectus respectively;
- (iv) our competitive advantages and key strengths as set out in Section 7.3 of this Prospectus; and
- (v) our strategies and plans as set out in Section 7.18 of this Prospectus.

The Final Retail Price will be determined after the Institutional Price is determined on the Price Determination Date and will be the lower of the Retail Price and 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. Further details on the refund mechanism are set out in Section 4.2.3 of this Prospectus.

The Final Retail Price and the Institutional Price are expected to be announced within 2 Market Days from the Price Determination Date on the website of Bursa Securities. 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 for our IPO Shares.

#### 4.2.2 Institutional Price

The Institutional Price will be determined by a bookbuilding process wherein prospective institutional and selected investors will be invited to bid for portions of the Institutional Offering by specifying the number of IPO Shares they would be prepared to acquire and the price they would be prepared to pay for our IPO Shares under the Institutional Offering. This bookbuilding process commenced on [●] 2026 and will end on [●] 2026. Upon completion of the bookbuilding process, the Institutional Price will be fixed by our Directors and our Offeror in consultation with the Sole Placement Agent on the Price Determination Date.

## 4. DETAILS OF OUR IPO (CONT'D)

### 4.2.3 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;
- (ii) by crediting into the accounts of the successful applicants with the Participating Financial Institution, for applications made via the Electronic Share Application; or
- (iii) 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.

### 4.2.4 Expected market capitalisation

Based on the Retail Price and enlarged number of 450,000,000 Shares after our IPO, our total market capitalisation upon our Listing would be RM[●] million.

You should note that the market price of our Shares upon our 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 and reasonableness of the bases used before deciding to invest in our Shares. You are also reminded to consider carefully the risk factors as set out in Section 9 of this Prospectus.

## 4.3 DILUTION

Dilution is the amount by which our pro forma combined NA per Share after our IPO is less than the Final Retail Price. Our audited combined NA per Share as at 31 December 2025 was approximately RM0.11 per Share, based on our total number of 372,929,700 Shares after the Acquisitions.

After taking into account our enlarged total number of Shares from the issuance of 77,070,300 Issue Shares and after adjusting for the use of the proceeds from our IPO, our pro forma combined NA per Share as at 31 December 2025 would be approximately RM[●] per Share. This represents:

- (i) an immediate increase in pro forma combined NA per Share of RM[●] or approximately [●]% to our existing shareholders; and
- (ii) an immediate dilution in pro forma combined NA per Share of RM[●] or approximately [●]% from the Retail Price to our new investors.

The table below illustrates such dilution on a per Share basis assuming the Retail Price is equal to the Final Retail Price:

	<u>RM</u>
Final Retail Price	[●]
Audited combined NA per Share as at 31 December 2025	0.11
Pro forma combined NA per Share as at 31 December 2025 after our IPO and the use of proceeds from the Public Issue	[●]
Increase in pro forma combined NA per Share to existing shareholders	[●]
Dilution in pro forma combined NA per Share to new investors	[●]
Dilution in pro forma combined NA per Share to new investors as a percentage of the Final Retail Price	[●]%

#### 4. DETAILS OF OUR IPO (CONT'D)

Save as disclosed below, there has been no acquisition of any of our Shares by our Directors, Promoters, Substantial Shareholders or Key Senior Management or persons connected with them, or any transaction entered into by them which grants them the right to acquire and/or subscribe for any of our Shares since our incorporation up to the LPD:

	<u>No. of Shares held after the Acquisitions</u>	<u>Total consideration (RM)</u>	<u>Average cost per Share (RM)</u>
<b><u>Substantial Shareholder</u></b>			
Core Perpetual	372,929,700	37,293,060	0.10

#### 4.4 USE OF PROCEEDS

We expect to use the gross proceeds from the Public Issue amounting to approximately RM[●] million in the following manner:

<u>Details</u>	<u>RM'000</u>	<u>%</u>	<u>Estimated time frame for use of proceeds from the date of our Listing</u>
Capital expenditure			
- Setting up a new production facility	[●]	[●]	Within 36 months
- Purchase of new machinery and equipment	[●]	[●]	Within 36 months
Marketing expenses	[●]	[●]	Within 6 months
Estimated listing expenses	[●]	[●]	Within 1 month
	<u>[●]</u>	<u>100.0</u>	

Further details of the use of the gross proceeds from the Public Issue are as follows:

##### 4.4.1 Setting up a new production facility

We have allocated RM[●] million, representing approximately [●]% of the gross proceeds to be raised from the Public Issue, for our capital expenditure to set up a new production facility by acquiring a parcel of industrial land measuring approximately 10 acres to be identified in Kuala Langat, Selangor. Out of the total allocation of RM[●] million, RM[●] million will be utilised for the acquisition of the land, while the remaining RM[●] million will be utilised for the construction of the production facility, including related infrastructure and development costs.

As at the LPD, our Group operates from Bestari HQ, a rented premises located in Telok Panglima Garang, Kuala Langat, Selangor, with a total built-up area of approximately 67,465 sq ft. The proposed acquisition of land and construction of a new production facility will complement our existing operational facility at Bestari HQ, which will continue to be rented from Core Perpetual at prevailing market rates. Collectively, these premises are intended to support our long-term expansion and operational requirements.

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

**4. DETAILS OF OUR IPO (CONT'D)**

We plan to allocate RM[●] million of our IPO proceeds to fund the set up and establishment of our first phase of new production facility and the details on the total estimated cost are as follows:

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

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

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

The new production facility is intended to complement our existing facility and upon completion, the first phase of our new production facility is expected to serve as an additional operational facility to support our Group's long-term expansion and operational requirements. In addition, the new production facility shall facilitate our expansion into ingredient processing activities, such as spice grinding, and support the implementation of silo systems for the storage of input materials to improve input material supply management, material handling efficiency, and storage conditions.

Please refer to Section 7.18.1(i) of this Prospectus for further details.

#### 4. DETAILS OF OUR IPO (CONT'D)

##### 4.4.2 Purchase of new machinery and equipment

We have allocated RM[●] million, representing approximately [●]% of the gross proceeds to be raised from the Public Issue, to purchase new machinery and equipment to be installed at our new production facility in Kuala Langat, Selangor, to support our expansion in the production of food premixes and the storage of key input materials.

The new machinery and equipment include, among others, new integrated mixing and packaging lines to increase production capacity, silo systems for the bulk storage and handling of key input materials, mainly wheat flour, and automated end-of-line packaging and handling systems, for carton packaging, palletising and handling of finished products. The acquisition of the new machinery and equipment is expected to increase our Group's overall production capacity upon commissioning of the new production facility. In addition, we also plan to expand into ingredient processing by establishing a spice grinding operation at the new production facility.

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

<b>Machinery and equipment</b>	<b>Number of units</b>	<b>Estimated costs (RM'000)</b>
Silo system	4	[●]
Spice milling line	1	[●]
Automated end-of-line packaging line	2	[●]
Automated mixing system	4	[●]
Packaging machines	4	[●]
Ancillary equipment and tools	-	[●]
		<b>[●]</b>

Please refer to Sections 7.18.1(ii) and 7.18.2 of this Prospectus for further details.

##### 4.4.3 Marketing expenses

We have allocated approximately RM[●] million, representing approximately [●]% of the gross proceeds to be raised from the Public Issue to expand our marketing and promotional activities, which will comprise participation in exhibitions, billboard advertisements, digital marketing and on-ground promotional activities and brand collaboration.

In respect of exhibitions, we intend to participate in a series of local and regional F&B trade fairs, consumer expos, and industry-specific events over the next 6 months. These exhibitions are expected to provide opportunities for us to showcase our product offerings, enhance brand visibility, and engage directly with distributors, retailers and end consumers. Such participation is expected to increase our brand exposure and facilitate the expansion of our Group's distribution network.

In addition, we intend to deploy additional billboard advertising campaigns at strategic, high-traffic locations across key urban areas in Malaysia. These locations are expected to include major highways, commercial districts and densely populated areas, enabling us to reach a broad segment of consumers while enhancing brand visibility and market awareness of our food premix products. As at the LPD, we have 4 static billboard advertisements and 9 LED billboard advertisements at various locations in Selangor, Kuala Lumpur, Johor, Perak, Kedah and Terengganu, complementing our broader marketing and distribution efforts.

#### 4. DETAILS OF OUR IPO (CONT'D)

We will continue to execute social media campaigns, including developing digital marketing content such as festive-themed promotional videos, engaging social media influencers and celebrities, as well as live-streaming activities to enhance brand visibility. Further, we will continue to undertake on-ground promotional activities such as product sampling, promotional displays, as well as collaborations with other brands for joint promotional and cross-marketing campaigns. These initiatives are expected to enhance product exposure, increase consumer engagement and drive product purchases.

Please refer to Section 7.18.4 of this Prospectus for further details.

##### 4.4.4 Estimated listing expenses

We estimate that RM[●] million of the gross proceeds from the Public Issue will be used for our listing expenses as follows:

Details	RM'000	%
Professional fees	[●]	[●]
Fees to authorities	[●]	[●]
Underwriting commission, placement fees and brokerage fees	[●]	[●]
Miscellaneous expenses and contingencies	[●]	[●]
	[●]	[●]

Miscellaneous expenses and contingencies include any other incidental charges or related expenses in connection with our IPO, such as translation services, printing and advertising expenses, applicable service tax and roadshow expenses of our IPO.

The actual proceeds accruing to us will depend on the Institutional Price and the Final Retail Price. If the actual listing expenses are higher than anticipated, the deficit will be funded from proceeds allocated for marketing expenses, and vice versa. If the actual proceeds are lower than the amount budgeted above, the proceeds shall be firstly allocated for setting up a new production facility, followed by the purchase of new machinery and equipment, listing expenses and marketing expenses. Any shortfall in the allocated amounts will be funded through our internally generated funds and/or bank borrowings.

Pending the eventual use of the gross proceeds from the Public Issue for the above intended purposes, the funds will be placed in short-term deposits with licensed financial institutions or short-term money market instruments.

We will not receive any proceeds from the Offer for Sale. The Offer for Sale will raise gross proceeds of up to approximately RM[●] million which will accrue entirely to our Offeror. Our Offeror will be bearing its own placement fee in respect of our IPO.

#### 4.5 BROKERAGE FEE, UNDERWRITING COMMISSION AND PLACEMENT FEE

##### 4.5.1 Brokerage fee

We will pay brokerage fee in respect of our Issue Shares under the Retail Offering at a rate of 1.0% (exclusive of any applicable tax) of the Final Retail Price in respect of 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 Sole Placement Agent 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 nor the Offeror.

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#### **4. DETAILS OF OUR IPO (CONT'D)**

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##### **4.5.2 Underwriting commission**

As stipulated in the Underwriting Agreement, we will pay our Sole Underwriter an underwriting commission of 2.0% (exclusive of any applicable tax) of the total value of the underwritten 33,320,300 Issue Shares under the Retail Offering.

##### **4.5.3 Placement fee**

We and the Offeror will pay the Sole Placement Agent a placement fee of up to 2.0% (exclusive of applicable tax) and may pay a discretionary incentive fee of up to 0.5% (exclusive of applicable tax) of the value of the 43,750,000 Issue Shares and up to 56,250,000 Offer Shares successfully placed out under the Institutional Offering.

#### **4.6 SALIENT TERMS OF THE UNDERWRITING AGREEMENT**

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

### 5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

#### 5.1.1 Promoters' and Substantial Shareholders' shareholdings

The shareholdings of our Promoters and Substantial Shareholders before and after our IPO are as follows:

Name	After the Acquisitions / Before our IPO				After the Public Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	(1)%	No. of Shares	(1)%
<b>Promoters and Substantial Shareholders</b>								
Core Perpetual	372,929,700	100.0	-	-	372,929,700	82.9	-	-
Lai Kok Siong	-	-	(2)372,929,700	100.0	-	-	(2)372,929,700	82.9
<b>Substantial Shareholder</b>								
Lew Tai @ Kong Lew Tai	-	-	(2)372,929,700	100.0	-	-	(2)372,929,700	82.9
Name	After the Offer for Sale							
	Direct		Indirect					
	No. of Shares	(1)%	No. of Shares	(1)%				
<b>Promoters and Substantial Shareholders</b>								
Core Perpetual	316,679,700	70.4	-	-				
Lai Kok Siong	-	-	(2)316,679,700	70.4				
<b>Substantial Shareholder</b>								
Lew Tai @ Kong Lew Tai	-	-	(2)316,679,700	70.4				

#### Notes:

- (1) Based on our enlarged total number of 450,000,000 Shares after our IPO.
- (2) Deemed interested pursuant to Section 8(4) of the Act by virtue of his / her shareholding in Core Perpetual.

## 5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

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

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

### 5.1.2 Profile of Promoters and Substantial Shareholders

The profiles of our Promoters and Substantial Shareholders are as follows:

#### **Lai Kok Siong**

*Promoter, Substantial Shareholder and Managing Director*

Lai Kok Siong, a Malaysian aged 65, is our Promoter, Substantial Shareholder and Managing Director. He was appointed to our Board on 20 February 2025. As our Managing Director, he is responsible for leading our Group's overall operations and strategic direction, including oversight of financial management, sales and business development, risk management and compliance, while driving innovation and continuous operational improvements.

He graduated from the University of Sheffield, United Kingdom, with a Bachelor of Engineering in Chemical Engineering and Fuel Technology in 1984. He has been a member of ICDM since May 2026.

He began his career in 1984 with Best Tile Works Sdn Bhd as a Production Executive, where he oversaw tile production operations. In 1985, he joined Powermatic Sdn Bhd as a Sales Executive, where he was involved in the sale of fire supervisory systems. In 1986, he joined Calson Engineering Sdn Bhd as a Sales Executive, where he continued to be involved in the sale of fire supervisory systems until his departure in 1987.

In 1988, he joined BZ Enterprise Sdn Bhd as a Sales Executive, where he was responsible for the sales of consumer timepieces. In 1989, he joined Mackessen Sdn Bhd as a Sales Executive, where he was involved in the sales of food ingredients and food processing machinery. He was subsequently promoted to Sales Manager, assuming broader sales management responsibilities, before leaving the company in 1993.

In March 1993, together with Lim Kian Thiam, he established the business that later formed the foundation of our Group through Core Perpetual. In this capacity, he was responsible for establishing and expanding the business, which was then principally engaged in the supply of food ingredients in 1993 and subsequently expanded into the supply of food processing and production equipment in 1995.

He spearheaded the growth and expansion of our Group's business, including the establishment of our seasoned flour premix production facility in Kota Kemuning, Selangor in 2002 and the development and commercialisation of our Group's own-brand products under the 'Bestari' brand, which has since become a key brand of our Group.

Over the years, he has been actively involved in driving our growth strategies, including expanding our distribution network throughout Malaysia, strengthening relationships with distributors and retailers, and broadening our Group's customer base. Under his leadership, our Group progressively expanded the reach of our 'Bestari' products across Peninsular and East Malaysia through appointed distributors, while also pursuing opportunities in overseas markets. He continues to provide strategic direction for our Group's operations, business development and market expansion initiatives.

He is the spouse of Lew Tai @ Kong Lew Tai, our Substantial Shareholder, and the father of Gabriel Lai Yung-Yao and Gary Lai Yung-Hui, who are our Executive Director / Head of Sales & Marketing and our Head of Production, respectively. He is also a director and substantial shareholder of Core Perpetual.

## 5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

### **Core Perpetual**

#### *Promoter and Substantial Shareholder*

Core Perpetual is our Promoter and Substantial Shareholder.

Core Perpetual was incorporated in Malaysia under the Companies Act 1965 on 9 March 1993 as a private limited company under the name of Synerchem Sdn Bhd and is deemed registered under the Act. It assumed its current name on 21 November 2025.

As at the LPD, the issued share capital of Core Perpetual is RM1,250,000 comprising 1,250,000 ordinary shares. The directors of Core Perpetual are Lai Kok Siong, Lew Tai @ Kong Lew Tai and Gabriel Lai Yung-Yao. The shareholders of Core Perpetual and their respective shareholdings as at the LPD are set out below:

	<b>No. of ordinary shares in Core Perpetual</b>	<b>%</b>
Lai Kok Siong	500,000	40.0
Lew Tai @ Kong Lew Tai	375,000	30.0
Gabriel Lai Yung-Yao	125,000	10.0
Gary Lai Yung-Hui	125,000	10.0
Lai Jia Maine	125,000	10.0
	<b>1,250,000</b>	<b>100.0</b>

Core Perpetual commenced operations in 1993 and was initially principally engaged in the supply of food ingredients, before expanding in 1995 to include the supply of food processing and production equipment. Pursuant to an internal restructuring to streamline its business activities under separate entities within our Group, the following business activities of Core Perpetual were progressively undertaken by the following entities:

- (i) the supply of food processing and production equipment to Synerchem Engineering since 2007;
- (ii) the sales of food premixes under 'Bestari' brand to Bestari Sales since 2013; and
- (iii) the supply of food ingredients to Synerchem Ingredients since 2016.

As at the LPD, Core Perpetual is an investment holding company (investing in shares and properties) and provides logistics support services to our Group, such as rental of trucks and storage of products. Upon completion of the Acquisitions, Core Perpetual will be the holding company of Bestari Food.

### **Lew Tai @ Kong Lew Tai**

#### *Substantial Shareholder*

Lew Tai @ Kong Lew Tai, a Malaysian aged 66, is our Substantial Shareholder.

She attended secondary education at Sekolah Menengah Kebangsaan Sulaiman in Bentong, Pahang from 1973 to 1975. She has been a homemaker and does not hold any active management role in our Group. She is the spouse of Lai Kok Siong, our Promoter, Substantial Shareholder and Managing Director, and the mother of Gabriel Lai Yung-Yao and Gary Lai Yung-Hui, who are our Executive Director / Head of Sales & Marketing and our Head of Production respectively. She is also a director and substantial shareholder of Core Perpetual.

## 5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

### 5.1.3 Changes in our Promoters' and Substantial Shareholders' shareholdings

The changes in our Promoters' and Substantial Shareholders' shareholdings since our incorporation are as follows:

Name	As at 20 February 2025 (date of incorporation)				After the Acquisitions			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Promoters and Substantial Shareholders</b>								
Core Perpetual	100	100.0	-	-	372,929,700	100.0	-	-
Lai Kok Siong	-	-	(2)100	100.0	-	-	(2)372,929,700	100.0
<b>Substantial Shareholders</b>								
Lew Tai @ Kong Lew Tai	-	-	(2)100	100.0	-	-	(2)372,929,700	100.0
Name	After the Public Issue				After the Offer for Sale			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(1)%
<b>Promoters and Substantial Shareholders</b>								
Core Perpetual	372,929,700	82.9	-	-	316,679,700	70.4	-	-
Lai Kok Siong	-	-	(2)372,929,700	82.9	-	-	(2)316,679,700	70.4
<b>Substantial Shareholder</b>								
Lew Tai @ Kong Lew Tai	-	-	(2)372,929,700	82.9	-	-	(2)316,679,700	70.4

#### Notes:

- (1) Based on our enlarged total number of 450,000,000 Shares after our IPO.
- (2) Deemed interested pursuant to Section 8(4) of the Act by virtue of his / her shareholding in Core Perpetual.

## 5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

### 5.1.4 Amounts or benefits paid or to be paid to our Promoters and Substantial Shareholders

Save for the issuance of our Shares as consideration for the Acquisitions, the dividends paid and proposed to be paid by our subsidiaries as disclosed in Section 12.7 of this Prospectus, and the aggregate remuneration and benefits paid and proposed to be paid for services rendered in all capacities to our Group as disclosed in Section 5.2.3 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 2 years preceding the date of this Prospectus.

## 5.2 DIRECTORS

Our Board comprises the following members:

<u>Name / Designation</u>	<u>Age</u>	<u>Appointment date</u>
Badrulnizam Bin Bahaman (Independent Non-Executive Chairman)	57	27 April 2026
Lai Kok Siong (Managing Director)	65	20 February 2025
Gabriel Lai Yung-Yao (Executive Director / Head of Sales & Marketing)	37	20 February 2025
Ow Yin Yee (Independent Non-Executive Director)	58	27 April 2026
Zueraini Binti Ahmad Basri (Independent Non-Executive Director)	52	27 April 2026
Low Chin Ann @ Han Chin Ann (Independent Non-Executive Director)	46	27 April 2026

We do not have any representative of corporate shareholder on our Board. Please refer to Section 5.5 of this Prospectus for details of the family relationships and associations between our Promoters, Substantial Shareholders, Directors and Key Senior Management.

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**5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)**

**5.2.1 Directors' shareholdings**

The shareholdings of our Directors before and after our IPO, assuming full subscription of the IPO Shares reserved for our Directors under the Pink Form Allocations, are as follows:

Name	Nationality	After the Acquisitions				After our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	(1)%	No. of Shares	(1)%
Badrulnizam Bin Bahaman	Malaysian	-	-	-	-	100,000	<0.1	-	-
Lai Kok Siong	Malaysian	-	-	<sup>(2)</sup> 372,929,700	100.0	-	-	<sup>(2)</sup> 316,679,700	70.4
Gabriel Lai Yung-Yao	Malaysian	-	-	-	-	-	-	-	-
Ow Yin Yee	Malaysian	-	-	-	-	100,000	<0.1	-	-
Zueraini Binti Ahmad Basri	Malaysian	-	-	-	-	100,000	<0.1	-	-
Low Chin Ann @ Han Chin Ann	Malaysian	-	-	-	-	100,000	<0.1	-	-

**Notes:**

- (1) Based on our enlarged total number of 450,000,000 Shares after our IPO.
- (2) Deemed interested pursuant to Section 8(4) of the Act by virtue of his shareholding in Core Perpetual.

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## 5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

### 5.2.2 Profile of our Directors

Please refer to the profile of Lai Kok Siong set out in Section 5.1.2 of this Prospectus. The profiles of our other Directors are as follows:

#### **Badrulnizam Bin Bahaman**

*Independent Non-Executive Chairman*

Badrulnizam Bin Bahaman, a Malaysian aged 57, is our Independent Non-Executive Chairman. He was appointed to our Board on 27 April 2026.

He graduated from the University of Hartford, Connecticut, United States of America, with a Bachelor of Science in Business Administration in 1993. He subsequently obtained a Master of Applied Finance from the University of Melbourne, Australia in 2001. He has been a member of ICDM since 2020 and CPA Australia since 2025. He has held a Capital Markets Services Representative's Licence issued by the SC for advising on corporate finance since 2020.

He began his career in 1993 with Kwong Yik Bank Berhad (now known as RHB Bank Berhad) as a Management Trainee and subsequently as an Officer, where he was involved in credit analysis within corporate banking. He was later promoted to Assistant Manager before leaving in 1997. He then joined Dresdner Bank AG (Labuan Branch) as a Marketing Officer, where he was responsible for credit and marketing functions in corporate banking until 2000. Thereafter, he pursued his postgraduate studies and completed his Master of Applied Finance in 2001.

In 2002, he returned to Malaysia and joined PricewaterhouseCoopers Advisory Services Sdn Bhd as a Senior Consultant, where he was involved in financial modelling and valuation within corporate finance and advisory. In 2004, he joined RHB Investment Bank as Vice President, where his responsibilities included deal origination and debt fundraising through bonds and securitisation. He held this position until 2008.

In 2008, he joined Kuwait Finance House (Malaysia) Berhad as a Director of investment banking division, where he was involved in deal origination and stakeholder management. He rose to the position as Head of Investment Banking before leaving the company in 2014. He joined Cagamas Berhad as Senior Vice President, Core Business, where he was responsible for deal origination and strategic initiatives, as well as representing the company at industry events and conferences. He left the company in 2018 and subsequently took a career break.

In 2019, he joined Mudharib Partners Sdn Bhd as Senior Partner and Director, a position he currently holds, where he leads the origination and execution of corporate finance and fundraising transactions. He has been an Independent Non-Executive Director of Perbadanan Usahawan Nasional Berhad since April 2025 and a director of Inficon Malaysia Sdn Bhd (a subsidiary of Inficon Holding AG, a company listed on the SIX Swiss Exchange) since February 2024.

#### **Gabriel Lai Yung-Yao**

*Executive Director / Head of Sales & Marketing*

Gabriel Lai Yung-Yao, a Malaysian aged 37, is our Executive Director / Head of Sales & Marketing. He was appointed to our Board on 20 February 2025. In this capacity, he is responsible for overseeing our Group's sales operations, driving commercial and export expansion, leading new product developments, and managing brand strategy and marketing programmes.

He graduated with a Bachelor of Applied Finance from the University of South Australia, Australia in 2011. He has been a member of ICDM since June 2026.

## 5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

Upon graduating in 2011, he began his career with Hewlett-Packard Multimedia Sdn Bhd (now known as Entserv Malaysia Sdn Bhd) as a Financial Analyst, where he was responsible for financial analysis and the preparation of financial reports. He remained with the company until 2013, when he joined Core Perpetual as a Business Development Trainee, where he was involved in promoting our Group's products through on-ground marketing activities.

In 2016, he was promoted to Business Operations Executive, where he managed the sales and marketing team to drive business growth. In July 2022, he was further promoted to Marketing Director, where he was responsible for formulating and executing the overall marketing strategy.

He was appointed as a director of Bestari (S), Bestari Sales, Synerchem Engineering, Synerchem Food Processing and Synerchem Ingredients in 2017 and was subsequently appointed as our Executive Director / Head of Sales & Marketing in February 2025.

He is the son of Lai Kok Siong, our Promoter, Substantial Shareholder and Managing Director, and Lew Tai @ Kong Lew Tai, our Substantial Shareholder. He is also the brother of Gary Lai Yung-Hui, our Head of Production. He is also a director and substantial shareholder of Core Perpetual.

### **Ow Yin Yee**

*Independent Non-Executive Director*

Ow Yin Yee, a Malaysian aged 58, is our Independent Non-Executive Director. She was appointed to our Board on 27 April 2026. She is also the Chairperson of our Audit and Risk Management Committee and a member of our Nomination and Remuneration Committee.

She graduated from Monash University, Australia with a Bachelor of Economics in 1991. She subsequently obtained a Master of Business Administration from Universiti Malaya in 2024. She was admitted as a member of CPA Australia in 1992 and was subsequently recognised as a Fellow of CPA Australia in 2018. She has been a Chartered Accountant of the MIA since 1995 and a member of ICDM since 2023.

She began her career in 1991 with Kassim Chan Tax Services Sdn Bhd (now known as Deloitte Malaysia Tax Services Sdn Bhd) as a Tax Junior and was promoted to Tax Senior I in 1993. During her tenure, she was involved in taxation and accounting matters across various industries.

In 1996, she joined Sun-Mix Concrete Sdn Bhd, a subsidiary of Sunway Building Technology Berhad (now known as Dolomite Corporation Berhad, previously listed on the Main Market of Bursa Securities), as an Accountant, where she oversaw the company's accounting functions. Following a merger exercise, she was transferred to Pioneer Sun-Mix Concrete Sdn Bhd (now known as Hanson Building Materials Malaysia Sdn Bhd) in 1999 and assumed the role of Commercial Manager, Concrete. In this role, she was responsible for managing and coordinating the financial and risk management functions of the company's operations.

In 2000, she was transferred to Sunway-Pioneer Quarry Sdn Bhd (now known as Hanson Quarry Products (Holdings) Sdn Bhd) and re-designated as a Business Process Manager, where she led business process improvement initiatives. In 2002, her role extended to include overseeing corporate income tax, operational and administrative matters. She held the position of Tax Manager until her departure from the company in 2004.

In 2004, she joined Sunway Shared Services Centre Sdn Bhd (now known as Sunway Shared Services Sdn Bhd) as a Senior Manager, Finance, where she oversaw the simplification and streamlining of finance operations across the organisation. She was subsequently promoted to Assistant General Manager in 2010, where she was responsible for audit planning and the implementation of process re-engineering initiatives, before leaving the company in 2011.

## 5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

In 2011, she joined Gabungan AQRS Berhad (listed on the Main Market of Bursa Securities) as a Group Accountant, where she managed daily accounting functions and prepared consolidated financial statements. She was subsequently re-designated as General Manager, Finance in 2014 and rose through the ranks as Group Financial Controller in 2016.

In 2017, she was appointed as an Executive Director and Group Chief Financial Officer of Gabungan AQRS Berhad, where she was involved in the implementation of strategic investment initiatives and project-related matters, and oversaw the group's finance, accounting, information technology, human resources and company secretarial functions. She retired and resigned from all her positions in Gabungan AQRS Berhad in 2022.

### **Zueraini Binti Ahmad Basri**

*Independent Non-Executive Director*

Zueraini Binti Ahmad Basri, a Malaysian aged 52, is our Independent Non-Executive Director. She was appointed to our Board on 27 April 2026 and is a member of our Audit and Risk Management Committee and a member of our Nomination and Remuneration Committee.

She graduated from the University of Missouri, United States of America, with a Bachelor of Science in Business Administration in 1997. She subsequently obtained a Master of Finance from Royal Melbourne Institute of Technology, Australia (now known as RMIT University) in 2002. She has been a member of ICDM since 2020.

Upon graduating, she began her career in 1997 with Malaysian International Merchant Bankers Berhad (subsequently known as MIMB Investment Bank Berhad) as an Executive, Corporate Banking, where she was involved in credit underwriting for investment and merchant banking. In 1999, she joined RHB Bank Berhad as an Executive, Corporate Banking and was subsequently promoted to Senior Executive in 2000 and Manager in 2002, where she was involved in credit underwriting and managed corporate and commercial banking clients. She resigned from the position in 2003.

In 2004, she joined Citibank Berhad as a Manager, focusing on credit underwriting for the emerging local corporate segment and assisted in the development of local credit policies and operating procedures. She held this position until 2005 and joined AmResearch Sdn Bhd as a Manager. In 2006, she was re-designated as a Manager, Credit Risk Management upon her transfer to AmMerchant Bank Berhad (now known as AmInvestment Bank Berhad) where she oversaw credit structuring, underwriting and trade facilities for large corporate and small and medium enterprise (SME) portfolios, including investment banking and offshore credit exposures.

In 2007, she rejoined Citibank Berhad as an Assistant Vice President, where she oversaw corporate and small and medium enterprise (SME) credit underwriting and contributed to the development of credit policies. In 2008, she joined Al Rajhi Banking & Investment Corporation (Malaysia) Bhd as Vice President, Corporate Credit Risk and was subsequently promoted to Head, Corporate Credit Risk in January 2014, where she oversaw corporate and commercial credit within an Islamic banking framework. She left the company in December 2014.

In 2015, she joined BMW Credit (Malaysia) Sdn Bhd as Head of Risk Management and was subsequently re-designated as Chief Risk Officer in 2017, where she established integrated risk management frameworks and oversaw retail and commercial credit risk, operational risk, enterprise risk, market risk and business continuity management. She held this role until 2023, after which she took a career break and is currently pursuing a Doctor of Philosophy (Business) at Universiti Malaya-Wales.

Since July 2022, she has held the role as an Independent Non-Executive Director of Malaysia Steel Works (KL) Berhad, which is listed on the Main Market of Bursa Securities.

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**5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)**

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**Low Chin Ann @ Han Chin Ann***Independent Non-Executive Director*

Low Chin Ann @ Han Chin Ann, a Malaysian aged 46, is our Independent Non-Executive Director. He was appointed to our Board on 27 April 2026. He is also the Chairperson of our Nomination and Remuneration Committee and a member of our Audit and Risk Management Committee.

He graduated with Diploma in Computer Science from Institut Latihan FTMS-ICL (subsequently known as FTMS College) and completed the Certified Accounting Technician (“**CAT**”) programme in 1999. He has been a member and Fellow member of the ACCA since 2005 and 2010 respectively. He is also a Chartered Accountant of the MIA since 2021. He has been a member of ICDM since May 2026.

He began his career in 2001 with RKT Tax Consultants Sdn Bhd, a tax consultancy firm, as a Tax Executive, where he was involved in tax compliance matters. In 2002, he joined KLC Centre for Higher Studies as a Lecturer where he taught CAT and ACCA programmes.

In 2003, he joined Kasturi College International (subsequently known as Malvern International Academy) as Course Director for the CAT programme, where he was responsible for conducting lectures and managing the programme. In 2007, he joined FTMS College as Lecturer, delivering lectures for CAT and ACCA programmes, before leaving the companies later that year to establish his own business.

In June 2007, he founded Accentury Development Sdn Bhd and was appointed as its Director, providing accountancy related training and conducting courses for ACCA programme for working adults, a position he continues to hold. In 2017, he also joined Methodist College Kuala Lumpur as a Course Advisor for the ACCA programme, where he provided training and teaching services until December 2022.

In August 2019, he founded Trinity Genesis Origo Development Sdn Bhd and was appointed as its Director, where he leads the provision of accountancy-related training and oversees professional accountancy courses for working adults, a position he continues to hold.

He was appointed as an Independent Non-Executive Director of Analabs Resources Berhad, a company listed on the Main Market of Bursa Securities, in 2012 and was subsequently re-designated as Senior Independent Non-Executive Director in 2015 before he retired in October 2022.

In January 2023, he resumed his professional practice as the sole proprietor of CA Low & Co, an accounting firm.

Since May 2022, he has served as an Independent Non-Executive Director of Kumpulan Kitacon Berhad, a company listed on the Main Market of Bursa Securities, and continues to hold this position as at the LPD.

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## 5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

### 5.2.3 Remuneration and material benefits-in-kind of our Directors

The aggregate remuneration and material benefits-in-kind (including any contingent or deferred remuneration) paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for the FYE 2025 and FYE 2026 are as follows:

#### FYE 2025

<u>Director</u>	<u>Salaries (RM'000)</u>	<u>Fees (RM'000)</u>	<u>Bonuses (RM'000)</u>	<u>Benefits- in-kind (RM'000)</u>	<u><sup>(1)</sup>Other emoluments (RM'000)</u>	<u>Total (RM'000)</u>
Lai Kok Siong	420	-	-	-	81	501
Gabriel Lai Yung-Yao	300	-	75	-	73	448

#### Proposed for the FYE 2026

<u>Director</u>	<u>Salaries (RM'000)</u>	<u>Fees (RM'000)</u>	<u>Bonuses (RM'000)</u>	<u>Benefits- in-kind (RM'000)</u>	<u><sup>(1)</sup>Other emoluments (RM'000)</u>	<u>Total (RM'000)</u>
Badrulnizam Bin Bahaman	-	<sup>(3)</sup> 40	-	-	1	41
Lai Kok Siong	420	-	<sup>(2)</sup> -	-	82	502
Gabriel Lai Yung-Yao	300	-	<sup>(2)</sup> -	-	74	374
Ow Yin Yee	-	<sup>(3)</sup> 32	-	-	1	33
Zueraini Binti Ahmad Basri	-	<sup>(3)</sup> 32	-	-	1	33
Low Chin Ann @ Han Chin Ann	-	<sup>(3)</sup> 32	-	-	1	33

#### **Notes:**

- (1) Comprise contributions to Employees Provident Fund, Social Security Organisation, Employment Insurance System and allowances.
- (2) Excluding bonuses which will be determined at a later date depending on the performance of the individuals and our Group.
- (3) Being director's fees from the date they were appointed to our Board.

The remuneration for each of our Directors is subject to review and recommendation by our Nomination and Remuneration Committee and approval by our Board. The fees and benefits payable to our Directors shall further be approved by our shareholders pursuant to an ordinary resolution passed at a general meeting.

## 5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

### 5.2.4 Directorships and principal business activities outside our Group

Save as disclosed below, none of our Directors have any directorships or any principal business activities outside our Group for the past 5 years up to the LPD:

#### (i) Badrulnizam Bin Bahaman

Company	Principal activities	Position held	Date of appointment	Date of resignation	Equity interest held	
					Direct	Indirect
<b><u>Present involvement</u></b>						
DOS Beans Sdn Bhd	Cafeteria	Shareholder	-	-	15.0%	-
Inficon Malaysia Sdn Bhd	Repair and maintenance of industrial machinery and equipment, manufacture of other components for electronic applications, manufacture of measuring, testing, navigating and control equipment	Director	6 February 2024	-	-	-
Mudharib Partners Sdn Bhd	Management consultant services	Director and shareholder	6 December 2019	-	15.0%	-
Perbadanan Usahawan Nasional Berhad	Providing venture capital, financing and management expertise to small sized and medium sized bumiputera business	Independent Non-Executive Director	1 April 2025	-	-	-
Stripe Capital Sdn Bhd	Business management consultancy services	Director and shareholder	28 May 2021	-	50.0%	-

**5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)**

<u>Company</u>	<u>Principal activities</u>	<u>Position held</u>	<u>Date of appointment</u>	<u>Date of resignation</u>	<u>Equity interest held</u>	
					<u>Direct</u>	<u>Indirect</u>
<b><u>Past involvement</u></b>						
Cube Capital Sdn Bhd	Business management consultancy services for ready-to-eat food industries	Director	2 March 2020	22 December 2025	-	-
DOS Beans Sdn Bhd	Cafeteria	Director	8 August 2017	20 April 2026	-	-
Quinants Venture Capital Sdn Bhd	Retail sale of massage products, body care products, healthcare products and other related goods	Director	7 August 2019	6 August 2021	-	-

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**5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)**

**(ii) Lai Kok Siong**

Company	Principal activities	Position held	Date of appointment	Date of resignation	Equity interest held	
					Direct	Indirect
<b><u>Present involvement</u></b>						
8 K Property Sdn Bhd	Property investment holding	Director and indirect Shareholder	19 June 2020	-	-	<sup>(1)</sup> 40.0%
Core Perpetual	Investment holding (investing in shares and properties) and provision of logistics support services	Director and shareholder	9 March 1993	-	40.0%	-
Ken Kee	Trading of ready-to-eat snack food products	Director and shareholder	15 August 2017	-	82.2%	-
Ken Kee Manufacturing	Manufacturing of ready-to-eat snack food products	Director and shareholder	9 October 2017	-	90.0%	-
Konsep Handal Sdn Bhd	Property investment holding	Director and shareholder	26 October 2010	-	33.3%	-
Mokara Kitchen	Operation of a central kitchen business	Director and shareholder	8 December 2017	-	40.0%	-
Nomms	Operation of restaurants	Director and shareholder	3 April 2013	-	90.0%	-
<b><u>Past involvement</u></b>						
Everstrong Agency Sdn Bhd	Dormant with no intended business activity	Director and indirect shareholder	8 October 2018	Dissolved on 4 August 2025	-	<sup>(2)</sup> 100.0%

**5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)**

Company	Principal activities	Position held	Date of appointment	Date of resignation	Equity interest held	
					Direct	Indirect
Synerchem Enterprise	Dormant. Previously intended to be principally engaged in the trading and repair of industrial machinery, equipment and spare parts	Partner	1 February 2018	Terminated on 31 March 2026	-	-
Synerchem Inono Sdn Bhd	Dormant. Previously intended to be principally engaged in the trading of food ingredients and spices	Director and shareholder	8 December 2017	(3)-	51.0%	-
Synertech Enterprise	Dormant. Previously intended to be principally engaged in the trading and repair of industrial machinery, equipment and spare parts	Partner	1 February 2018	Terminated on 31 March 2026	-	-

**Notes:**

- (1) Deemed interested pursuant to Section 8(4) of the Act by virtue of his shareholding in Core Perpetual.
- (2) Deemed interested pursuant to Section 8(4) of the Act by virtue of his shareholding in Ken Kee.
- (3) Subsequent to the LPD, Synerchem Inono Sdn Bhd was dissolved on 8 June 2026.

**5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)****(iii) Gabriel Lai Yung-Yao**

Company	Principal activities	Position held	Date of appointment	Date of resignation	Equity interest held	
					Direct	Indirect
<b><u>Present involvement</u></b>						
Core Perpetual	Investment holding (investing in shares and properties) and provision of logistics support services	Director / shareholder	27 March 2017	-	10.0%	-
Ken Kee	Trading of ready-to-eat snack food products	Director and shareholder	15 August 2017	-	10.0%	-
Ken Kee Manufacturing	Manufacturing of ready-to-eat snack food products	Director and shareholder	9 October 2017	-	10.0%	-
Mokara Kitchen	Operation of a central kitchen business	Director and shareholder	8 December 2017	-	10.0%	-
Nomms	Operation of restaurants	Director	27 March 2017	-	-	-
<b><u>Past involvement</u></b>						
Everstrong Agency Sdn Bhd	Dormant with no intended business activity	Director	8 October 2018	Dissolved on 4 August 2025	-	-
Synerchem Enterprise	Dormant. Previously intended to be principally engaged in the trading and repair of industrial machinery, equipment and spare parts	Partner	1 February 2018	Terminated on 31 March 2026	-	-

**5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)**

Company	Principal activities	Position held	Date of appointment	Date of resignation	Equity interest held	
					Direct	Indirect
Synertech Enterprise	Dormant. Previously intended to be principally engaged in the trading and repair of industrial machinery, equipment and spare parts	Partner	1 February 2018	Terminated on 31 March 2026		-

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**5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)**(iv) **Ow Yin Yee**

<u>Company</u>	<u>Principal activities</u>	<u>Position held</u>	<u>Date of appointment</u>	<u>Date of resignation</u>	<u>Equity interest held</u>	
					<u>Direct</u>	<u>Indirect</u>
<b><u>Present involvement</u></b>						
Nil						
<b><u>Past involvement</u></b>						
GBG Property Management Sdn Bhd	Dormant, previously involved in general trading	Director	10 November 2016	1 July 2022	-	-
Gabungan AQRS Berhad (listed on the Main Market of Bursa Securities)	Investment holding with subsidiaries principally involved in property development, property investment, as well as contractor for civil and building construction works	Executive Director	12 October 2017	1 July 2022	-	-
Trusvest Sdn Bhd	Property investment	Director	27 December 2017	1 July 2022	-	-
Sedco Precast Sdn Bhd	Manufacture and dealer of precast concrete products	Alternate Director	1 February 2020	1 July 2022	-	-

**5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)**

(v) **Zueraini Binti Ahmad Basri**

<u>Company</u>	<u>Principal activities</u>	<u>Position held</u>	<u>Date of appointment</u>	<u>Date of resignation</u>	<u>Equity interest held</u>	
					<u>Direct</u>	<u>Indirect</u>
<b><u>Present involvement</u></b>						
Malaysia Steel Works (KL) Bhd (listed on the Main Market of Bursa Securities)	Manufacturing of steel bars and steel billets, with subsidiaries involved in transportation and logistics, fabrication and trading of steel products	Independent Non-Executive Director	1 July 2022	-	-	-
<b><u>Past involvement</u></b>						
Marmalade Group Sdn Bhd	Activities of holding companies	Director	30 September 2025	1 December 2025	-	-

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**5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)****(vi) Low Chin Ann @ Han Chin Ann**

Company	Principal activities	Position held	Date of appointment	Date of resignation	Equity interest held	
					Direct	Indirect
<b><u>Present involvement</u></b>						
Accentury Development Sdn Bhd	Education services	Director and shareholder	14 June 2007	-	100.0%	-
CA Low & Co	Accounting services firm	Sole proprietor	19 January 2023	-	-	-
CA Low Tax Services PLT	Provision of tax compliance, advisory and planning services	Partner	30 June 2023	-	-	-
Glorious Manna Sdn Bhd	Dormant. Previously intended to be involved in wholesale of fish and other seafood, farming of frogs and freshwater aqua culture	Shareholder	-	-	33.3%	-
Kumpulan Kitacon Berhad (listed on the Main Market of Bursa Securities)	Investment holding and its subsidiary is principally involved in the provision of construction services	Independent Non-Executive Director	25 May 2022	-	<0.1%	-
Malaysian Pest Control Sdn Bhd	Pest control services	Director and shareholder	1 July 2023	-	100.0%	-
MPC Pest Control & Hygiene Care Sdn Bhd	Disinfecting and exterminating activities and pest control services	Director and shareholder	27 September 2023	-	42.0%	-

**5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)**

Company	Principal activities	Position held	Date of appointment	Date of resignation	Equity interest held	
					Direct	Indirect
Passion Rise PLT	Operation of restaurant business	Partner	10 November 2021	-	-	-
Peace Vista PLT	Dormant. Previously intended to be principally involved in growing fruits and bearing vegetables	Partner	21 July 2021	-	-	-
Trinity Genesis Origo Development Sdn Bhd	Online education and trading of education materials	Director and shareholder	20 August 2019	-	100.0%	-
<b><u>Past involvement</u></b>						
Analabs Resources Berhad (listed on the Main Market of Bursa Securities)	Investment holding and provision of management services to its subsidiaries which are mainly involved in recycling and manufacturing	Independent Non-Executive Director	1 December 2012	Re-designated on 5 January 2015	-	-
		Senior Independent Non-Executive Director	5 January 2015	5 October 2022	-	-
Glorious Manna Sdn Bhd	Dormant and previously involved in wholesale of fish and other seafood, farming of frogs and freshwater aqua culture	Director	21 December 2017	3 February 2023	-	-

Save as disclosed in Section 11.1 of this Prospectus, the involvement of our Directors in those business activities outside our Group does not give rise to any existing or potential conflict of interest situation with our business. Further, the involvement of our Managing Director and Executive Director / Head of Sales & Marketing in other businesses or corporations does not preclude them from allocating or committing their time and effort to our Group. These companies outside our Group are either managed by their respective companies' management team and personnel, or are investment holding companies which generate passive income. In addition, the involvement of our Independent Non-Executive Directors in other businesses or corporations will not affect their respective commitment and responsibilities to our Group as they are not involved in our day-to-day operations.

## 5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

### 5.3 BOARD PRACTICES

#### 5.3.1 Directorship

Our Board acknowledges and takes cognisance of the MCCG, which contains recommendations to improve upon or to enhance corporate governance as an integral part of the business activities and culture of such companies. Our Board is also committed to achieving and sustaining high standards of corporate governance.

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

<b>Name</b>	<b>Date of expiration of current term of office</b>	<b>No. of years in office up to the LPD</b>
Badrulnizam Bin Bahaman	At our 1 <sup>st</sup> AGM to be held in 2026	Less than 1 year
Lai Kok Siong	At our 1 <sup>st</sup> AGM to be held in 2026	Approximately 1 year
Gabriel Lai Yung-Yao	At our 1 <sup>st</sup> AGM to be held in 2026	Approximately 1 year
Ow Yin Yee	At our 1 <sup>st</sup> AGM to be held in 2026	Less than 1 year
Zueraini Binti Ahmad Basri	At our 1 <sup>st</sup> AGM to be held in 2026	Less than 1 year
Low Chin Ann @ Han Chin Ann	At our 1 <sup>st</sup> AGM to be held in 2026	Less than 1 year

In accordance with our Constitution, at every AGM of our Company, one-third of our Directors for the time being, or if their number is not 3 or a multiple of 3, then the number nearest to one-third shall retire from office and be eligible for re-election, provided always that all Directors shall retire from office at least once in every 3 years. A retiring Director shall be eligible for re-election and shall retain office until the conclusion of the meeting at which he / she retires.

#### 5.3.2 Audit and Risk Management Committee

Our Audit and Risk Management Committee comprises the following members:

<b>Name</b>	<b>Position</b>	<b>Directorship</b>
Ow Yin Yee	Chairperson	Independent Non-Executive Director
Low Chin Ann @ Han Chin Ann	Member	Independent Non-Executive Director
Zueraini Binti Ahmad Basri	Member	Independent Non-Executive Director

The main functions of our Audit and Risk Management Committee are as follows:

- (i) to review the quarterly results and year-end financial statements of our Group prior to submission to our Board for approval;
- (ii) to review and advise whether the financial statements, taken as a whole, provide a true and fair view of our financial position and performance;
- (iii) to assess the suitability, objectivity and independence of the external auditors on an annual basis, including the performance evaluation of the external auditors, in accordance with established policies and procedures;
- (iv) to review the audit plan, major audit findings arising from interim and final audits, audit reports, evaluation of the system of internal controls and management letters issued by the external auditors;
- (v) to review the adequacy of the scope, competency, budget and resources of the internal audit function, and to ensure that it has the necessary authority to carry out its duties;

## 5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

- (vi) to review the internal audit plan, programme, processes and reporting structure;
- (vii) to review the findings of internal audit reports and investigations undertaken, and to ensure that appropriate corrective actions are taken by management based on the recommendations of the internal auditors;
- (viii) to review the adequacy and effectiveness of processes and procedures to ensure compliance with applicable laws, rules and regulations, as well as directives and guidelines issued by relevant regulatory authorities;
- (ix) to establish and oversee an adequate and effective risk management and internal control framework for our Group;
- (x) to review and assess our Group's risk appetite, key risk exposures and risk tolerance levels;
- (xi) to review the effectiveness of risk management framework in identifying and managing risks, including the adequacy of risk management policies and the implementation of appropriate action plans by management;
- (xii) to oversee the conduct of, and review the results of, company-wide risk assessments, including the identification, evaluation and reporting of critical risks to our Board;
- (xiii) to review the adequacy of resources allocated for the management of the risk management and internal control framework;
- (xiv) to monitor, review and report to our Board any related party transactions and conflict of interest situations that may arise within our Group, including any transaction, procedure or course of conduct that raises concerns regarding management integrity; and
- (xv) to review and report to our Board any actual or potential conflict of interest situations involving our Directors, including the measures taken to resolve, eliminate or mitigate such conflicts.

### 5.3.3 Nomination and Remuneration Committee

Our Nomination and Remuneration Committee comprises the following members:

<b>Name</b>	<b>Position</b>	<b>Directorship</b>
Low Chin Ann @ Han Chin Ann	Chairperson	Independent Non-Executive Director
Ow Yin Yee	Member	Independent Non-Executive Director
Zueraini Binti Ahmad Basri	Member	Independent Non-Executive Director

The main functions of our Nomination and Remuneration Committee are as follows:

- (i) to formulate, maintain and review the processes for the appointment, re-appointment and re-election of Directors, having due regard to their performance and ability to continue contributing to our Board in light of the knowledge, skills and experience required;
- (ii) to formulate and maintain a fit and proper policy, and to ensure that all Directors meet the fit and proper criteria, including conducting assessments of the fitness and propriety of candidates for appointment to our Board and Directors seeking re-election;
- (iii) to assess and recommend to our Board suitable candidates for directorships and Board Committee memberships to be filled by the shareholders or our Board;

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**5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)**

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- (iv) to review the training needs of our Board and facilitate appropriate induction and continuous training programmes for Directors;
- (v) to undertake an annual assessment of the effectiveness of our Board as a whole, its committees and the contribution of each Director, including their character, experience, integrity, competence and time commitment in effectively discharging their roles, and to ensure that such assessments are properly documented together with the criteria used;
- (vi) to review the size and composition of our Board, with a view to determining its impact on our Board's effectiveness;
- (vii) to establish and recommend for our Board's approval a formal mechanism for assessing the performance of our Board and Key Senior Management;
- (viii) to review Board and Key Senior Management succession plans and oversee the development of a diverse pipeline;
- (ix) to assess Directors and Key Senior Management on an ongoing basis, taking into account individual performance in managing our Group's material sustainability risks and opportunities;
- (x) to review and recommend to our Board the remuneration of non-executive Directors, including whether such remuneration remains appropriate to each Director's contribution, taking into account the level of expertise, commitment and responsibilities undertaken;
- (xi) to review and recommend to our Board the total remuneration packages for Executive Directors and Key Senior Management, including, where appropriate, bonuses and incentive payments, within the terms of the approved remuneration policy and based on individual performance; and
- (xii) to oversee the qualitative and quantitative disclosures of remuneration in the annual report and notices of general meetings.

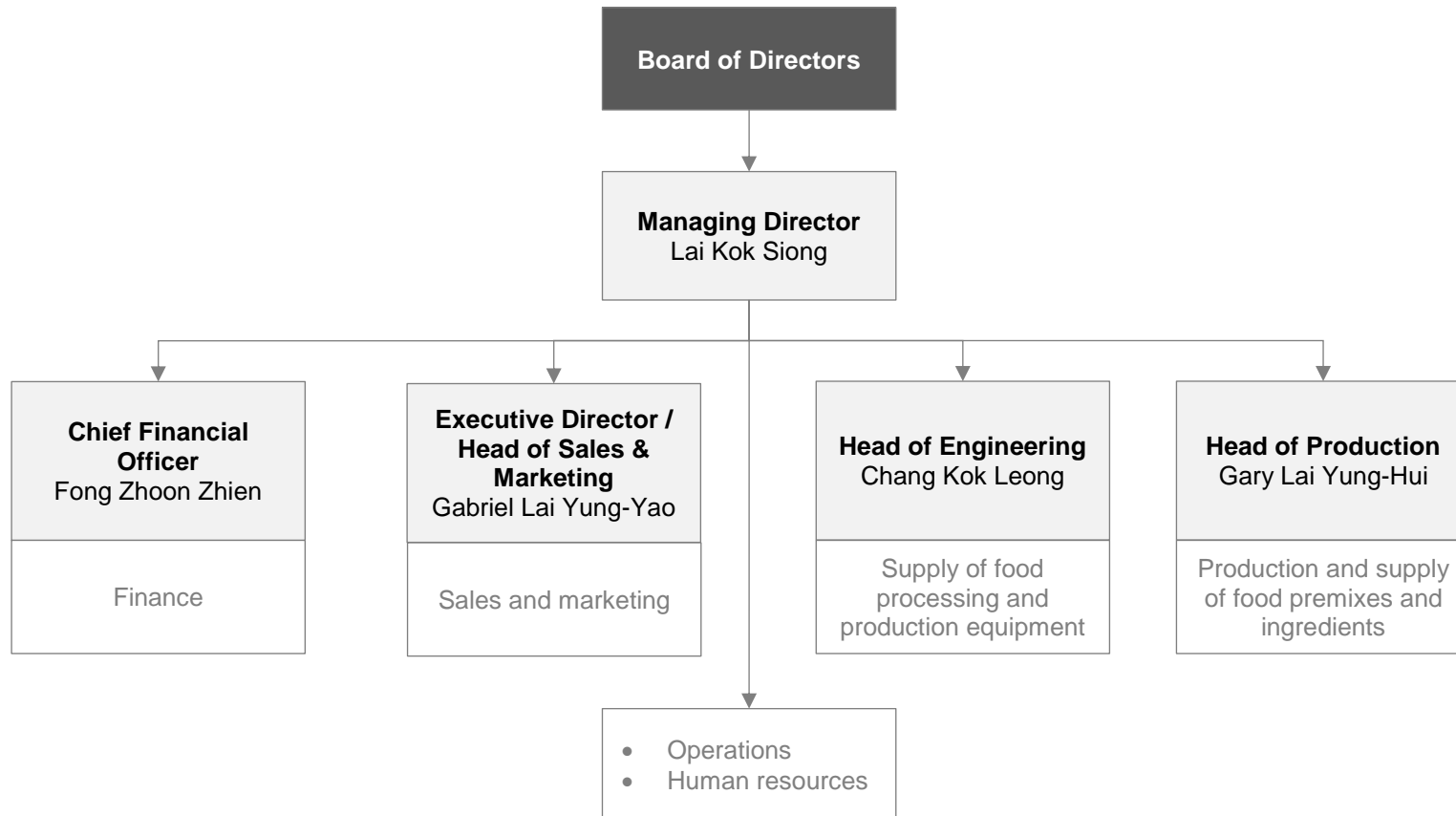
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**5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)**

**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 (CONT'D)**

**5.4.2 Key Senior Management's shareholdings**

The shareholdings of our Key Senior Management before and after our IPO, assuming full subscription of the IPO Shares reserved for our Key Senior Management under the Pink Form Allocations, are as follows:

Name	Nationality	After the Acquisitions / Before our IPO				After our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	(1)%	No. of Shares	(1)%
Fong Zhooon Zhien	Malaysian	-	-	-	-	250,000	<0.1	-	-
Gabriel Lai Yung-Yao	Malaysian	-	-	-	-	-	-	-	-
Chang Kok Leong	Malaysian	-	-	-	-	250,000	<0.1	-	-
Gary Lai Yung-Hui	Malaysian	-	-	-	-	-	-	-	-

**Note:**

(1) Based on our enlarged total number of 450,000,000 Shares after our IPO.

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**5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)**

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**5.4.3 Profiles of our Key Senior Management**

Please refer to the profile of Gabriel Lai Yung-Yao set out in Section 5.2.2 of this Prospectus. The profiles of our other Key Senior Management are as follows:

**Fong Zhooon Zhien**

*Chief Financial Officer*

Fong Zhooon Zhien, a Malaysian aged 40, is our Chief Financial Officer. He joined our Group in July 2025 and is responsible for overseeing our Group's financial operations, including planning, budgeting, reporting, treasury, risk management, capital raising, performance analytics, and leading our Group's finance team.

He graduated from Manchester Metropolitan University, United Kingdom, with a Bachelor of Arts in Accounting and Finance in 2007. He is a Chartered Accountant of the MIA since January 2026 and admitted as a Certified Practising Accountant of CPA Australia since October 2025.

He began his career in 2007 with PricewaterhouseCoopers Malaysia as an Associate in the audit and assurance division and was subsequently promoted to Senior Associate in 2010, where he was involved in financial services audits, reviews and client engagements. In 2011, he joined Maybank Investment Bank Berhad as an Analyst, where he was involved in the structuring and execution of initial public offerings, mergers and acquisitions and other corporate exercises.

In 2013, he joined Ernst & Young as a Supervisor, Assurance, Audit Services, where he was responsible for audit engagements and supervision. He subsequently left the firm in 2015 and undertook a short study break. In 2016, he joined Baker Tilly Monteiro Heng as a Manager, where he oversaw external audit engagements and ensured compliance with auditing and regulatory standards. He left the firm in 2017.

In 2017, he joined Sumber Amantech Sdn Bhd, a subsidiary of KNM Group Berhad (previously listed on the Main Market of Bursa Securities) as a Finance Manager, where he was responsible for financial reporting, budgeting and forecasting, audit management and statutory compliance. In 2019, he joined MITC Engineering Sdn Bhd (now known as MGB Construction & Engineering Sdn Bhd), a subsidiary of MGB Berhad (listed on the Main Market of Bursa Securities) as Account Manager, where he oversaw group consolidation, financial reporting, cash flow management and audit coordination until 2021.

In 2021, he joined Ageson SMSGMBH Sdn Bhd, a subsidiary of Ageson Berhad (now known as TXCD Berhad, listed on the Main Market of Bursa Securities), as a Finance Manager, where he oversaw finance operations, financial reporting, audits and internal controls. He was subsequently transferred to Ageson Retails Sdn Bhd in 2023 as a Financial Controller, where he continued to oversee financial reporting and finance operations. He left the group and joined YTB Project Management Services Sdn Bhd (a wholly-owned subsidiary of Yong Tai Berhad, listed on the Main Market of Bursa Securities) in 2024 as Group Financial Controller, where he was responsible for financial reporting, budgeting, forecasting, treasury and finance team management, before resigning in December 2024.

In February 2025, he joined Core Perpetual as Chief Financial Officer, where he provided financial leadership across planning, reporting, cash flow management, risk management, capital raising and finance team oversight. Following an internal restructuring pursuant to our Listing, he was transferred to Synerchem Services and assumed his current role as our Chief Financial Officer since July 2025.

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**5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)**

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**Chang Kok Leong**  
*Head of Engineering*

Chang Kok Leong, a Malaysian aged 48, is our Head of Engineering. He joined our Group in 2015 and was subsequently re-designated to his current role in March 2026. He is responsible for formulating and executing operational strategies and overseeing service operations for food processing machinery to support customer satisfaction and enable sustainable business growth.

He graduated from Universiti Sains Malaysia with a Bachelor of Food Technology in 2002. He has been certified as a Radiation Protection Officer by the Department of Atomic Energy Malaysia since August 2025.

Upon graduation, he began his career in 2002 with F.Y. Sdn Bhd as a Quality Control Executive, where he was involved in quality control for poultry processing operations. In 2003, he was promoted to Research and Development Executive, where he was responsible for product development activities from concept formulation to pilot-scale trials and production implementation. In 2004, he was promoted to Production Manager, where he was involved in setting up production lines, managing production workers and optimising production cost and efficiency.

In 2005, he joined Core Perpetual as a Technical Sales Executive, where he was responsible for driving food ingredients sales growth and expanding market presence. In 2015, he was transferred to Synerchem Engineering and promoted to Sales & Service Manager, responsible for leading technical sales and solution development for food manufacturing clients, aligning equipment performance with production efficiency, quality and compliance requirement. He was re-designated to his current role in March 2026.

**Gary Lai Yung-Hui**  
*Head of Production*

Gary Lai Yung-Hui, a Malaysian aged 35, is our Head of Production. He joined our Group in July 2025 as an Operations Analyst and was subsequently re-designated to his current role in March 2026. He is responsible for overseeing and supporting the optimisation of production operations, including production planning and scheduling, streamlining of production workflows and ensuring timely fulfilment of customer orders.

He graduated from Drake University, United States with a Bachelor of Science in Business Administration (major in Actuarial Science / Finance) in 2014 and obtained a Master of Science in Computer Science from the Georgia Institute of Technology, United States of America in 2025.

He began his career in 2014 as an Actuarial Analyst at Coaching Actuaries, United States of America where he contributed to the development of actuarial educational materials. In 2017, he briefly served as a Data Analytics Intern at Iflix Sdn Bhd, supporting dashboard development and data analysis. He then joined Persuasion Technologies Sdn Bhd in November 2017 as a Business and Data Analyst, where he conducted data analysis and developed automated systems to enhance audience targeting for digital advertising campaigns. He left the company in 2019.

In 2019, he joined AirAsia SEA Sdn Bhd as a Data Engineer, where he designed and implemented machine learning pipelines and migrated legacy data infrastructure to cloud-based systems to improve scalability and efficiency. He was promoted to Senior Data Engineer in January 2022 and served until March 2022.

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**5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)**

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In March 2022, he joined Orsted Services Malaysia Sdn Bhd as a Data Engineer, where he developed and integrated data pipelines to support wind farm operations, while maintaining and enhancing cloud and computing infrastructure to ensure system reliability and performance. He was promoted to Senior Data Engineer in 2024 before he left the company in April 2025.

In May 2025, he joined Core Perpetual as an Operations Analyst, where he managed end-to-end production operations. Following an internal restructuring, he joined Synerchem Services in July 2025 in the same capacity, and was subsequently re-designated as our Head of Production in March 2026.

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## 5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

### 5.4.4 Involvement of our Key Senior Management in other principal business activities

Save as disclosed below and in Section 5.2.4 of this Prospectus, none of our Key Senior Management has any directorships or any principal business activities outside our Group for the past 5 years up to the LPD:

#### (i) Gary Lai Yung-Hui

<u>Company</u>	<u>Principal activities</u>	<u>Position held</u>	<u>Date of appointment</u>	<u>Date of resignation</u>	<u>Equity interest held</u>	
					<u>Direct</u>	<u>Indirect</u>
<b><u>Present involvement</u></b>						
Mokara Kitchen	Operation of a central kitchen business	Shareholder	-	-	10.0%	-
Core Perpetual	Investment holding (investing in shares and properties) and provision of logistics support services	Shareholder	-	-	10.0%	-

#### **Past involvement**

Nil

Save as disclosed in Section 11.1 of this Prospectus, the involvement of our Key Senior Management above 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. These companies outside our Group are managed by the respective companies' management team and personnel.

## 5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

### 5.4.5 Remuneration and material benefits-in-kind of our Key Senior Management

The aggregate remuneration and material benefits-in-kind (including any contingent or deferred remuneration) paid and proposed to be paid to our Key Senior Management for services rendered in all capacities to our Group for the FYE 2025 and FYE 2026 are as follows:

Key Senior Management	Remuneration Band (RM'000)	
	<sup>(1)</sup> FYE 2025	<sup>(2)</sup> Proposed for the FYE 2026
Fong Zhoon Zhien	250 - 300	250 - 300
Gabriel Lai Yung-Yao	400 - 450	350 - 400
Chang Kok Leong	400 - 450	300 - 350
Gary Lai Yung-Hui	100 - 150	200 - 250

**Notes:**

- (1) Including bonuses paid.
- (2) Excluding bonuses which will be determined at a later date depending on the performance of the individuals and our Group.

## 5.5 FAMILY RELATIONSHIPS AND ASSOCIATIONS BETWEEN OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

Save as disclosed below, there are no other family relationships and/or associations between any of our Promoters, Substantial Shareholders, Directors and Key Senior Management as at the LPD:

- (i) Lai Kok Siong, who is our Promoter, Substantial Shareholder and Managing Director, is the spouse of Lew Tai @ Kong Lew Tai, and the father of Gabriel Lai Yung-Yao and Gary Lai Yung-Hui;
- (ii) Lew Tai @ Kong Lew Tai, who is our Substantial Shareholder, is also the spouse of Lai Kok Siong as well as the mother of Gabriel Lai Yung-Yao and Gary Lai Yung-Hui;
- (iii) Gabriel Lai Yung-Yao, who is our Executive Director / Head of Sales & Marketing, is the son of Lai Kok Siong and Lew Tai @ Kong Lew Tai, and the brother of Gary Lai Yung-Hui;
- (iv) Gary Lai Yung-Hui, who is our Head of Production, is the son of Lai Kok Siong and Lew Tai @ Kong Lew Tai, as well as the brother of Gabriel Lai Yung-Yao; and
- (v) Lai Kok Siong, Lew Tai @ Kong Lew Tai and Gabriel Lai Yung-Yao are directors and substantial shareholders of Core Perpetual, the Promoter and Substantial Shareholder of our Company. In addition, Gary Lai Yung-Hui is also a substantial shareholder of Core Perpetual.

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**5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)**

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**5.6 DECLARATIONS BY OUR PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT**

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

- (i) in the last 10 years, a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which such person was a partner or any corporation of which such person was a director or member of 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 or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) in the last 10 years, any judgment entered against such person, 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;
- (v) in the last 10 years, the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his/her part that relates to the capital market;
- (vi) the subject of any order, judgment or ruling of any court, government or regulatory authority or body temporarily enjoining such person 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; and
- (viii) any unsatisfied judgment against such person.

**5.7 SERVICE CONTRACTS**

As at the LPD, there are no existing or proposed service agreements entered into or to be entered into by our Directors or any of our Key Senior Management with our Group which provide for benefits upon termination of employment.

## 6. INFORMATION ON OUR GROUP

### 6.1 OUR GROUP

We were incorporated in Malaysia under the Act on 20 February 2025 as a private limited company under the name of Bestari Food Sdn Bhd. On 14 April 2026, we were converted to a public limited company to facilitate our Listing.

We are an investment holding company. Through our subsidiaries, we are principally involved in the production of food premixes as well as the supply of food ingredients and food processing and production equipment. Please refer to Section 6.5 of this Prospectus for further information on our subsidiaries.

As at [●], our issued share capital is RM37,293,060 comprising 372,929,700 Shares. Save as disclosed below, there has been no change in our issued share capital since the date of our incorporation:

Date of allotment	No. of Shares allotted	Nature of transaction	Consideration	Cumulative issued share capital	
				RM	No. of Shares
20 February 2025	100	Subscriber shares	Cash	100	100
[●]	372,929,600	Acquisitions	Otherwise than cash	37,293,060	372,929,700

There are also no outstanding warrants, options, convertible securities or uncalled capital in respect of our Shares as at the LPD.

#### 6.1.1 Acquisitions

On 10 April 2026, we entered into conditional share sale agreements for the Acquisitions to acquire the entire issued share capital of the companies set out below from their respective vendors for a total purchase consideration of RM37,292,960, which was arrived at on a 'willing-buyer willing-seller' basis after taking into consideration the latest audited NA or net liabilities of the respective companies as at 31 December 2025, and adjusted for dividends paid subsequent to 31 December 2025:

	Audited NA / net liabilities as at 31 December 2025 (RM)	Less: Dividends paid subsequent to 31 December 2025 (RM)	Adjusted NA / net liabilities (RM)	Purchase consideration (RM)
Bestari Sales	4,255,233	(1,500,000)	2,755,233	2,755,220
Bestari (S)	<sup>(1)</sup> (297,538)	-	(297,538)	10
Synerchem Engineering	3,628,091	-	3,628,091	3,628,080
Synerchem Food Processing	28,135,864	(5,500,000)	22,635,864	22,635,860
Synerchem Ingredients	9,773,779	(1,500,000)	8,273,779	8,273,770
Synerchem Services	<sup>(1)</sup> (180,626)	-	(180,626)	10
Synerchem (S)	<sup>(1)</sup> (368,742)	-	(368,742)	10
				<b>37,292,960</b>

#### Note:

- (1) These companies were in net liabilities positions as at 31 December 2025 mainly due to their operating expenses incurred such as staff costs which exceeded their revenue in prior financial years.

**6. INFORMATION ON OUR GROUP (CONT'D)**

The purchase consideration shall be entirely satisfied via the issuance of 372,929,600 new Shares to Core Perpetual, as nominated by all the vendors, at an issue price of RM0.10 per Share.

<b>Company</b>	<b>Vendors</b>	<b>Interest to be acquired</b>	<b>Purchase consideration (RM)</b>	<b>No. of Shares to be issued</b>
Bestari (S)	Lai Kok Siong	50.0%	5	50
	Lew Tai @ Kong Lew Tai	50.0%	5	50
		100.0%	10	100
Bestari Sales	Lai Kok Siong	90.0%	2,479,698	24,796,980
	Lew Tai @ Kong Lew Tai	10.0%	275,522	2,755,220
		100.0%	2,755,220	27,552,200
Synerchem (S)	Lai Kok Siong	100.0%	10	100
Synerchem Engineering	Lai Kok Siong	90.0%	3,265,272	32,652,720
	Lew Tai @ Kong Lew Tai	10.0%	362,808	3,628,080
		100.0%	3,628,080	36,280,800
Synerchem Food Processing	Lew Tai @ Kong Lew Tai	60.0%	13,581,516	135,815,160
	Lai Kok Siong	40.0%	9,054,344	90,543,440
		100.0%	22,635,860	226,358,600
Synerchem Ingredients	Lai Kok Siong	90.0%	7,446,393	74,463,930
	Lew Tai @ Kong Lew Tai	10.0%	827,377	8,273,770
		100.0%	8,273,770	82,737,700
Synerchem Services	Lai Kok Siong	90.0%	9	90
	Gabriel Lai Yung-Yao	10.0%	1	10
		100.0%	10	100
			<b>37,292,960</b>	<b>372,929,600</b>

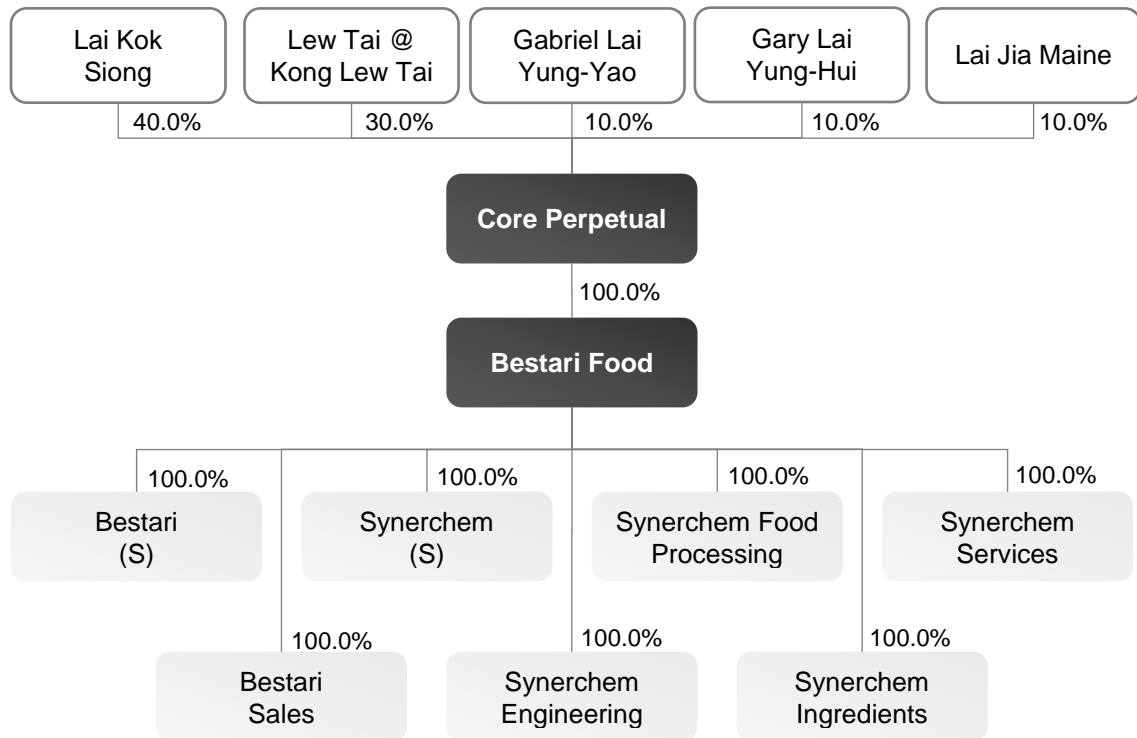
The Acquisitions were completed on [●], subsequent to which Core Perpetual shall be the holding company of our Group.

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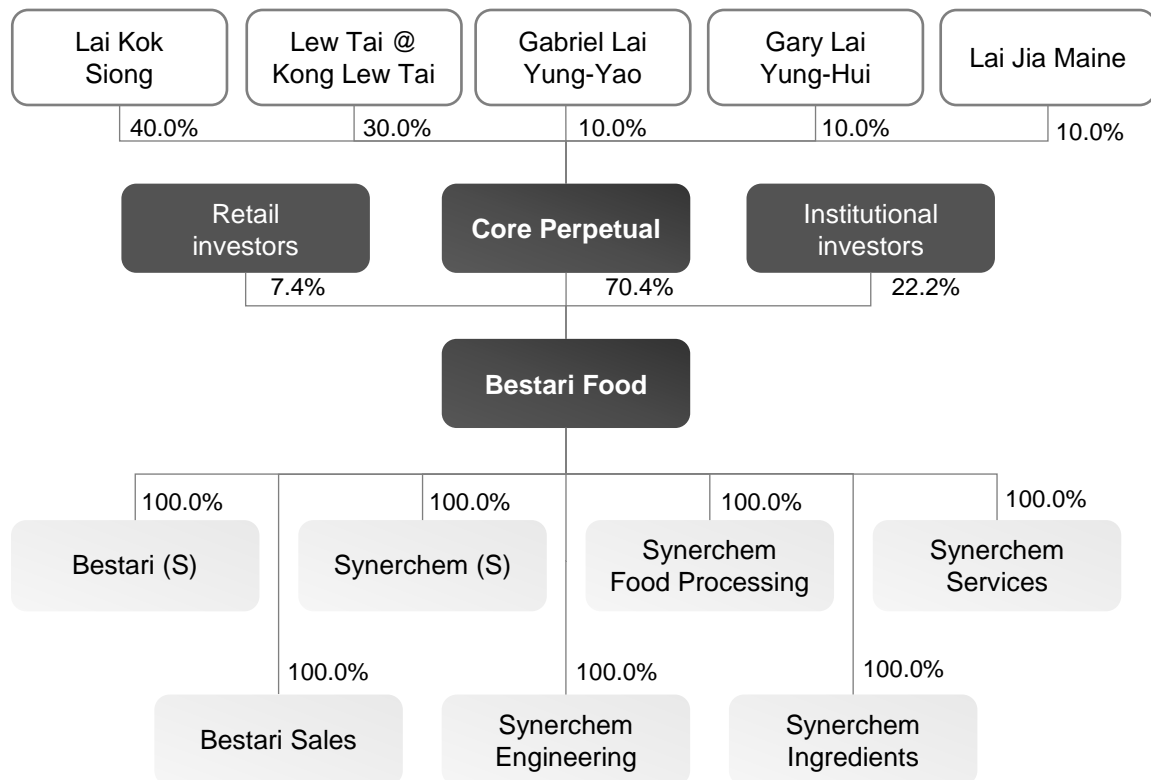
**6. INFORMATION ON OUR GROUP (CONT'D)**

**6.2 OUR GROUP STRUCTURE**

**6.2.1 After the Acquisitions / Before our IPO**



**6.2.2 After our IPO**



## 6. INFORMATION ON OUR GROUP (CONT'D)

### 6.3 BUSINESS HISTORY AND MILESTONES

Our Company was incorporated in Malaysia under the Act on 20 February 2025 as a private limited company under the name of Bestari Food Sdn Bhd. Our Company was subsequently converted to a public limited company on 14 April 2026 to facilitate our Listing.

Our history can be traced back to 1993, when our Managing Director, Lai Kok Siong, together with Lim Kian Thiam, incorporated Synerchem Sdn Bhd (now known as Core Perpetual). In 2008, Lim Kian Thiam disposed of his entire equity interest in Synerchem Sdn Bhd to Lai Kok Siong and Lew Tai @ Kong Lew Tai. Synerchem Sdn Bhd commenced operations in 1993 and was initially involved in the supply of food ingredients, and subsequently expanded into the supply of food processing and production equipment in 1995.

Pursuant to an internal restructuring to streamline business activities, the supply of food processing and production equipment has been undertaken by Synerchem Engineering since 2007, the sale of food premixes under 'Bestari' brand has been undertaken by Bestari Sales since 2013, and the supply of food ingredients has been undertaken by Synerchem Ingredients since 2016.

Thereafter, Synerchem Sdn Bhd was involved in the provision of corporate and logistics support services until 2025. It subsequently changed its name to Core Perpetual on 21 November 2025 and is currently principally an investment holding company (investing in shares and properties) and provision of logistics support services to our Group such as rental of trucks and storage of products.

The table below sets out the key events and milestones in the history and development of our business:

Year	Key Events and Milestones
1993	<ul style="list-style-type: none"> <li>Incorporation of Synerchem Sdn Bhd (now known as Core Perpetual) and commencement of operations in the supply of food ingredients at a rented premises in Petaling Jaya, Selangor.</li> </ul>
1995	<ul style="list-style-type: none"> <li>Subsequently, Synerchem Sdn Bhd (now known as Core Perpetual) expanded into the supply of food processing and production equipment.</li> </ul>
2001	<ul style="list-style-type: none"> <li>Expanded our operations to Singapore through Synerchem (S)<sup>(1)</sup> and commenced the supply of food ingredients as well as supply of food processing and production equipment in Singapore.</li> </ul>
2002	<ul style="list-style-type: none"> <li>Through Synerchem Food Processing<sup>(2)</sup>, we set up a production facility in a rented factory lot in Kota Kemuning, Selangor and we started the production of seasoned flour premixes, namely fried chicken coating mix, which mainly involves the blending of flour with seasonings and other ingredients.</li> <li>Our seasoned flour premixes products were commercialised in commercial packs. Subsequently in 2004, we commercialised our products under our own brand 'Bestari', upon its successful trademark registration.</li> </ul>
2007	<ul style="list-style-type: none"> <li>Pursuant to an internal restructuring, the supply of food processing and production equipment business was undertaken by Synerchem Engineering<sup>(3)</sup>.</li> </ul>
2010	<ul style="list-style-type: none"> <li>To expand our market reach, we sold 'Bestari' brand of products to distributors in various states in Malaysia including Peninsular Malaysia and East Malaysia. Through the sales to distributors, we can reach a broader consumer base by leveraging their networks to serve retailers and food service operators in their respective markets.</li> </ul>
2013	<ul style="list-style-type: none"> <li>Incorporated Bestari Sales<sup>(4)</sup> to focus on the sales and marketing of our 'Bestari' brand of products.</li> </ul>

**6. INFORMATION ON OUR GROUP (CONT'D)**

<b>Year</b>	<b>Key Events and Milestones</b>
2015	<ul style="list-style-type: none"> <li>Incorporated Bestari (S)<sup>(5)</sup> in Singapore to supply food ingredients as well as food processing and production equipment in Singapore.</li> </ul>
2016	<ul style="list-style-type: none"> <li>Synerchem Ingredients<sup>(6)</sup> commenced operations to take over the supply of food ingredients business from Synerchem Sdn Bhd (now known as Core Perpetual).</li> </ul>
2021	<ul style="list-style-type: none"> <li>Commenced operations at our current operational facility at Bestari HQ with a built-up area of 67,465 sq ft, which houses our head office, production facility and warehouse.</li> </ul>
2022	<ul style="list-style-type: none"> <li>Upgraded our warehouse at Bestari HQ where we installed ASRS as part of our initiatives to automate and improve efficiencies.</li> </ul>
2025	<ul style="list-style-type: none"> <li>Appointed a distributor for the supply of our products in Saudi Arabia.</li> </ul>

**Notes:**

- (1) Synerchem (S) was incorporated under the name Lestera Pte Ltd in 1994 by 2 subscriber shareholders, namely Wong Sui Meng and Wong Cheng Han. Following various share transfers, Lai Kok Siong became a shareholder in 2001 and subsequently acquired all the remaining equity interest in 2019.
- (2) Synerchem Food Processing was incorporated in 2002 by Lai Kok Siong and Lim Kian Thiam, with an equity interest of 50.0% each. Following the allotment of new shares in 2004 and 2006, Lai Kok Siong's equity interest increased to approximately 40.0% and Lew Tai @ Kong Lew Tai became a shareholder with approximately 60.0% equity interest, while Lim Kian Thiam continued to hold 1 share. Lim Kian Thiam disposed of his equity interest to Ting Ping Hook in 2002, who in turn disposed of the same to Kong Kam Tak in 2004. In 2019, Kong Kam Tak disposed of his entire equity interest to Lai Kok Siong, resulting in Lew Tai @ Kong Lew Tai and Lai Kok Siong holding 60.0% and 40.0% equity interest respectively.
- (3) Synerchem Engineering was incorporated in 2006 by Lai Kok Siong and Lew Tai @ Kong Lew Tai with an equal equity interest of 50.0% each. Following the allotment of new shares in 2018, Lew Tai @ Kong Lew Tai's shareholding was diluted to 10.0%, with the remaining 90.0% equity interest held by Lai Kok Siong.
- (4) Bestari Sales was incorporated in 2013 by Lai Kok Siong and Lew Tai @ Kong Lew Tai with an equal equity interest of 50.0% each. Following the allotment of new shares in 2015, Lew Tai @ Kong Lew Tai's shareholding was diluted to 10.0%, with the remaining 90.0% equity interest held by Lai Kok Siong.
- (5) Bestari (S) was incorporated in 2015 by Lai Kok Siong and Lew Tai @ Kong Lew Tai with an equal equity interest of 50.0% each.
- (6) Synerchem Ingredients was incorporated in 2014 under the name Synerchem Holdings Sdn Bhd by Lai Kok Siong and Lew Tai @ Kong Lew Tai with an equal equity interest of 50.0% each. Following the allotment of new shares in 2016, Lew Tai @ Kong Lew Tai's shareholding was diluted to 10.0%, with the remaining 90.0% equity interest held by Lai Kok Siong.

## 6. INFORMATION ON OUR GROUP (CONT'D)

### 6.4 ACCREDITATIONS, AWARDS AND RECOGNITIONS

During the Financial Years Under Review and up to the LPD, we obtained the following key awards and recognitions:

Year	Key awards and recognitions	Company	Awarded by
2023	Sin Chew Business Excellence Awards 2023 - Product Excellence Awards	Bestari Sales	Sin Chew Daily
2025	Sin Chew Business Excellence Awards 2025 - Product Excellence Awards	Bestari Sales	Sin Chew Daily

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

Accreditation	Scope	Issuing party	Validity Period
ISO 22000:2018	Blending of food ingredients and premixes for retail, food service and OEM	WCS Certification Services (M) Sdn Bhd	10 July 2007 to 9 July 2028
HACCP MS1480:2019	Blending of food ingredients and premixes for retail, food service and OEM	WCS Certification Services (M) Sdn Bhd	10 July 2007 to 9 July 2028
HACCP MS1480:2019	Manufacture and repackaging of food ingredients and food additive products	SIRIM QAS International Sdn Bhd	19 September 2022 to 18 August 2028
HACCP	<ul style="list-style-type: none"> <li>• Cereal, cereal products, starch and bread</li> <li>• Salt and spice</li> <li>• Egg and egg product</li> <li>• Food additive and nutrient supplement</li> <li>• Miscellaneous food not elsewhere standardise</li> </ul>	Ministry of Health	25 September 2025 to 18 August 2028

In addition to the above, as at the LPD, we also have halal certifications issued by JAKIM for our food processing facilities at Bestari HQ and for our products. Please refer to Section 7.21 for further details of our halal certifications.

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**6. INFORMATION ON OUR GROUP (CONT'D)**


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**6.5 INFORMATION ON OUR SUBSIDIARIES****6.5.1 Bestari (S) / Registration No. 201503509C****(a) Background and principal activities**

Bestari (S) was incorporated in Singapore under the Singapore Companies Act 1967 on 5 February 2015 as an exempt private company limited by shares.

Bestari (S) is principally involved in the sales of food premixes and other food products. Bestari (S) commenced operations in 2015 with its principal place of business in Singapore.

**(b) Share capital**

As at the LPD, the issued share capital of Bestari (S) is SGD2 comprising 2 ordinary shares. There has been no change in the issued share capital of Bestari (S) during the Financial Years Under Review and up to the LPD.

There are also no outstanding warrants, options, convertible securities or uncalled capital in respect of the ordinary shares in Bestari (S) as at the LPD.

**(c) Substantial shareholder**

As at [●], Bestari (S) is our wholly-owned subsidiary.

**(d) Directors**

As at the LPD, the directors of Bestari (S) are Lai Kok Siong, Gabriel Lai Yung-Yao and Ng Seng Hor.

**(e) Subsidiary, associate and joint venture**

Bestari (S) does not have any subsidiary, associate or joint venture.

**6.5.2 Bestari Sales / Registration No. 201301000361 (1030198-D)****(a) Background and principal activities**

Bestari Sales was incorporated in Malaysia under the Companies Act 1965 on 3 January 2013 as a private limited company and is deemed registered under the Act.

Bestari Sales is principally involved in the sales of food premixes and other food products. Bestari Sales commenced operations in 2013 with its principal place of business in Malaysia.

**(b) Share capital**

As at the LPD, the issued share capital of Bestari Sales is RM250,000 comprising 250,000 ordinary shares.

Save for the allotment and issuance of 100,000 new ordinary shares at an issue price of RM1.00 each on 1 December 2025, there has been no other change in the issued share capital of Bestari Sales during the Financial Years Under Review and up to the LPD.

There are also no outstanding warrants, options, convertible securities or uncalled capital in respect of the ordinary shares in Bestari Sales as at the LPD.

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**6. INFORMATION ON OUR GROUP (CONT'D)**


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**(c) Substantial shareholder**

As at [●], Bestari Sales is our wholly-owned subsidiary.

**(d) Directors**

As at the LPD, the directors of Bestari Sales are Lai Kok Siong and Gabriel Lai Yung-Yao.

**(e) Subsidiary, associate and joint venture**

Bestari Sales does not have any subsidiary, associate or joint venture.

**6.5.3 Synerchem (S) / Registration No. 199405323C****(a) Background and principal activities**

Synerchem (S) was incorporated in Singapore under the Singapore Companies Act 1967 on 29 July 1994 as an exempt private company limited by shares under the name of Lestera Pte Ltd. It assumed its current name on 26 July 2001.

Synerchem (S) is principally involved in the supply of food ingredients, food processing and production equipment and spare parts, and provision of maintenance services. Synerchem (S) commenced operations in 2001 with its principal place of business in Singapore.

**(b) Share capital**

As at the LPD, the issued share capital of Synerchem (S) is SGD10,000 comprising 10,000 ordinary shares. There has been no change in the issued share capital of Synerchem (S) during the Financial Years Under Review and up to the LPD.

There are also no outstanding warrants, options, convertible securities or uncalled capital in respect of the ordinary shares in Synerchem (S) as at the LPD.

**(c) Substantial shareholder**

As at [●], Synerchem (S) is our wholly-owned subsidiary.

**(d) Directors**

As at the LPD, the directors of Synerchem (S) are Lai Kok Siong and Ng Seng Hor.

**(e) Subsidiary, associate and joint venture**

Synerchem (S) does not have any subsidiary, associate or joint venture.

**6.5.4 Synerchem Engineering / Registration No. 200601029787 (749544-H)****(a) Background and principal activities**

Synerchem Engineering was incorporated in Malaysia under the Companies Act 1965 on 5 October 2006 as a private limited company and is deemed registered under the Act.

Synerchem Engineering is principally involved in the supply of food processing and production equipment and spare parts, and provision of maintenance services. Synerchem Engineering commenced operations in 2007 with its principal place of business in Malaysia.

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**6. INFORMATION ON OUR GROUP (CONT'D)**


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**(b) Share capital**

As at the LPD, the issued share capital of Synerchem Engineering is RM150,000 comprising 150,000 ordinary shares. There has been no change in the issued share capital of Synerchem Engineering during the Financial Years Under Review and up to the LPD.

There are also no outstanding warrants, options, convertible securities or uncalled capital in respect of the ordinary shares in Synerchem Engineering as at the LPD.

**(c) Substantial shareholder**

As at [●], Synerchem Engineering is our wholly-owned subsidiary.

**(d) Directors**

As at the LPD, the directors of Synerchem Engineering are Lai Kok Siong and Gabriel Lai Yung-Yao.

**(e) Subsidiary, associate and joint venture**

Synerchem Engineering does not have any subsidiary, associate or joint venture.

**6.5.5 Synerchem Food Processing / Registration No.200201021922 (589585-T)****(a) Background and principal activities**

Synerchem Food Processing was incorporated in Malaysia under the Companies Act 1965 on 15 August 2002 as a private limited company and is deemed registered under the Act.

Synerchem Food Processing is principally involved in the production of food premixes. Synerchem Food Processing commenced operations in 2002 with its principal place of business in Malaysia.

**(b) Share capital**

As at the LPD, the issued share capital of Synerchem Food Processing is RM300,000 comprising 300,000 ordinary shares. There has been no change in the issued share capital of Synerchem Food Processing during the Financial Years Under Review and up to the LPD.

There are also no outstanding warrants, options, convertible securities or uncalled capital in respect of the ordinary shares in Synerchem Food Processing as at the LPD.

**(c) Substantial shareholder**

As at [●], Synerchem Food Processing is our wholly-owned subsidiary.

**(d) Directors**

As at the LPD, the directors of Synerchem Food Processing are Lai Kok Siong and Gabriel Lai Yung-Yao.

**(e) Subsidiary, associate and joint venture**

Synerchem Food Processing does not have any subsidiary, associate or joint venture.

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**6. INFORMATION ON OUR GROUP (CONT'D)**


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**6.5.6 Synerchem Ingredients / Registration No. 201401011697 (1087774-V)****(a) Background and principal activities**

Synerchem Ingredients was incorporated in Malaysia under the Companies Act 1965 on 7 April 2014 as a private limited company under the name of Synerchem Holdings Sdn Bhd and is deemed registered under the Act. It assumed its current name on 30 September 2015.

Synerchem Ingredients is principally involved in the supply of food ingredients. Synerchem Ingredients commenced operations in 2016 with its principal place of business in Malaysia.

**(b) Share capital**

As at the LPD, the issued share capital of Synerchem Ingredients is RM1,250,000 comprising 1,250,000 ordinary shares. There has been no change in the issued share capital of Synerchem Ingredients during the Financial Years Under Review and up to the LPD.

There are also no outstanding warrants, options, convertible securities or uncalled capital in respect of the ordinary shares in Synerchem Ingredients as at the LPD.

**(c) Substantial shareholder**

As at [●], Synerchem Ingredients is our wholly-owned subsidiary.

**(d) Directors**

As at the LPD, the directors of Synerchem Ingredients are Lai Kok Siong and Gabriel Lai Yung-Yao.

**(e) Subsidiary, associate and joint venture**

Synerchem Ingredients does not have any subsidiary, associate or joint venture.

**6.5.7 Synerchem Services / Registration No. 202101013610 (1413909-K)****(a) Background and principal activities**

Synerchem Services was incorporated in Malaysia under the Act on 13 April 2021 as a private limited company under the name of Kow Kow Sdn Bhd. It assumed its current name on 11 March 2025.

Synerchem Services is principally involved in the provision of management services. Synerchem Services commenced operations in 2025 with its principal place of business in Malaysia.

**(b) Share capital**

As at the LPD, the issued share capital of Synerchem Services is RM1,000 comprising 1,000 ordinary shares. There has been no change in the issued share capital of Synerchem Services during the Financial Years Under Review and up to the LPD.

There are also no outstanding warrants, options, convertible securities or uncalled capital in respect of the ordinary shares in Synerchem Services as at the LPD.

**(c) Substantial shareholder**

As at [●], Synerchem Services is our wholly-owned subsidiary.

**6. INFORMATION ON OUR GROUP (CONT'D)****(d) Directors**

As at the LPD, the directors of Synerchem Services are Lai Kok Siong and Gabriel Lai Yung-Yao.

**(e) Subsidiary, associate and joint venture**

Synerchem Services does not have any subsidiary, associate or joint venture.

**6.6 MATERIAL INVESTMENTS AND DIVESTITURES**

Save as disclosed below, we do not have any other material investments for the Financial Years Under Review and up to the LPD:

	<b>FYE 2023</b> <b>(RM'000)</b>	<b>FYE 2024</b> <b>(RM'000)</b>	<b>FYE 2025</b> <b>(RM'000)</b>	<b>1 January 2026</b> <b>and up to the</b> <b>LPD (RM'000)</b>
Purchase of machinery and equipment <sup>(1)</sup>	7,471	550	685	341
Renovation works at Bestari HQ <sup>(2)</sup>	1,951	-	-	-
	<b>9,422</b>	<b>550</b>	<b>685</b>	<b>341</b>

**Notes:**

- (1) Mainly consisted of the installation of the ASRS, the purchase of pallets (to optimise material handling, transport and storage efficiency) and the automatic fill and seal packaging machines for seasoning premixes.
- (2) Being the installation of flooring, polyurethane panel, air conditioning, ventilation system as well as fire protection system for the ASRS at Bestari HQ.

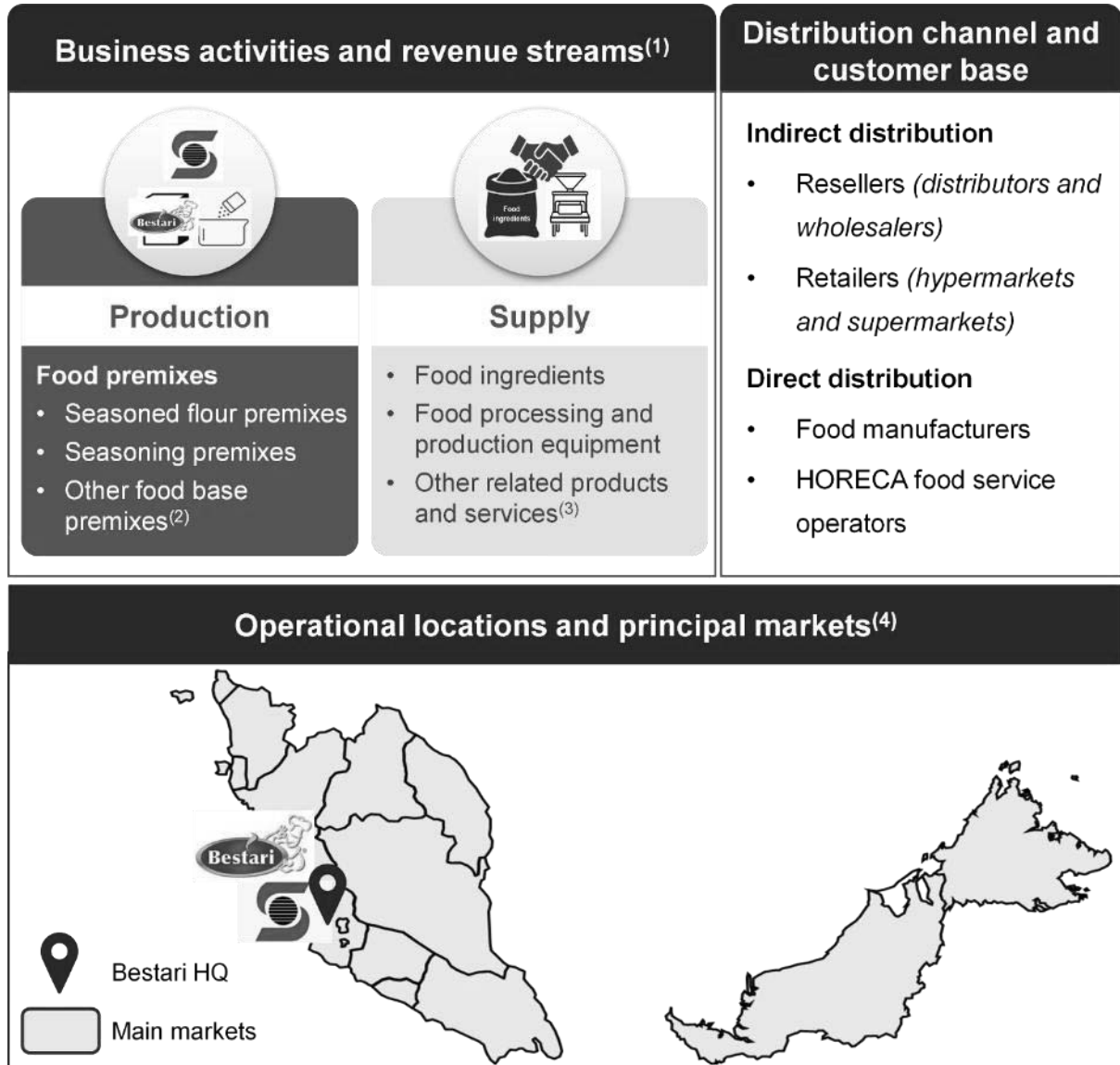
We did not have any material divestitures during the Financial Years Under Review and up to the LPD.

**7. BUSINESS OVERVIEW**

**7.1 OVERVIEW OF OUR BUSINESS**

**7.1.1 Our business model**

Our business model is as follows:



**Notes:**

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

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

## 7. BUSINESS OVERVIEW (CONT'D)

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

### 7.1.2 Business activities and revenue streams

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

The food premixes we produce can be categorised as follows:

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

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

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

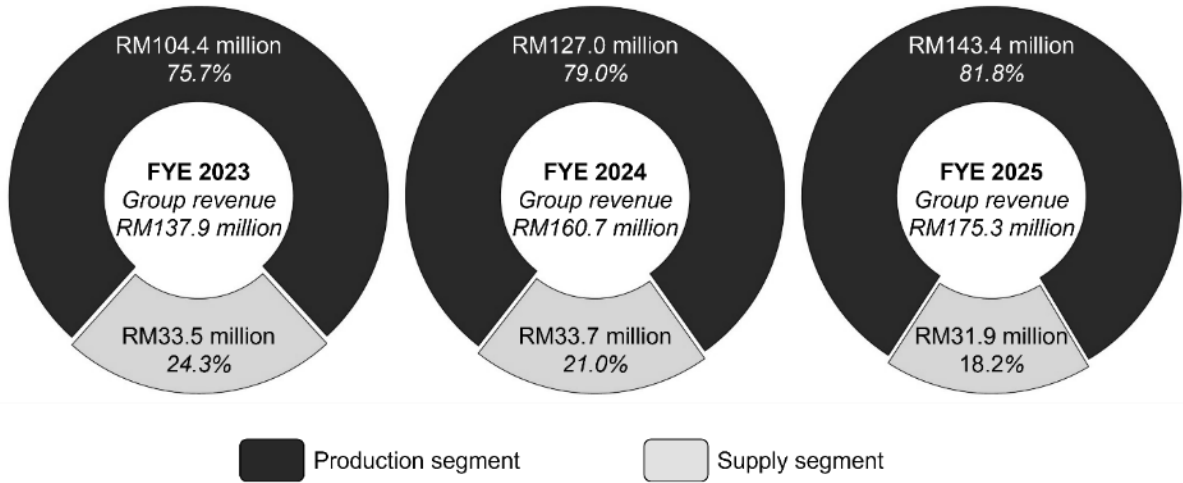
To complement our in-house production and broaden our product offerings, we are also involved in the following activities:

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

## 7. BUSINESS OVERVIEW (CONT'D)

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

### Revenue segmentation by business segments



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

#### Notes:

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

## 7. BUSINESS OVERVIEW (CONT'D)

### 7.1.3 Principal market

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

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

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

#### Notes:

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

## 7. BUSINESS OVERVIEW (CONT'D)

### 7.1.4 Distribution channels and customers

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

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

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

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

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

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

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

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

#### Notes:

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

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## 7. BUSINESS OVERVIEW (CONT'D)

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### 7.2 MODE OF OPERATION

#### 7.2.1 Food products

##### Sales

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

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

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

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

##### Distribution agreements

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

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

##### Trading terms with retailer customers

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

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

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

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**Return policy**

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

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

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

**Product recall**

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

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

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

**7.2.2 Food processing and production equipment****Sales**

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

**Warranty**

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

**7.2.3 Maintenance services**

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

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## **7. BUSINESS OVERVIEW (CONT'D)**

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### **7.2.4 Related spare parts**

#### **Sales**

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

#### **Warranty**

We do not provide product warranty for spare parts.

### **7.3 COMPETITIVE ADVANTAGES AND KEY STRENGTHS**

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

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

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

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

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

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

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

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

## 7. BUSINESS OVERVIEW (CONT'D)

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

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

### 7.3.3 We have an established distribution network providing wide market coverage

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

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

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

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

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

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

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

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

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

## **7. BUSINESS OVERVIEW (CONT'D)**

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

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

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

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

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

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

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

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

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

### **7.3.7 We have a comprehensive nationwide market coverage in Malaysia**

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

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

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

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

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

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

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

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

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

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

**7.4 BUSINESS ACTIVITIES, PRODUCTS AND SERVICES**

**7.4.1 PRODUCTION SEGMENT**

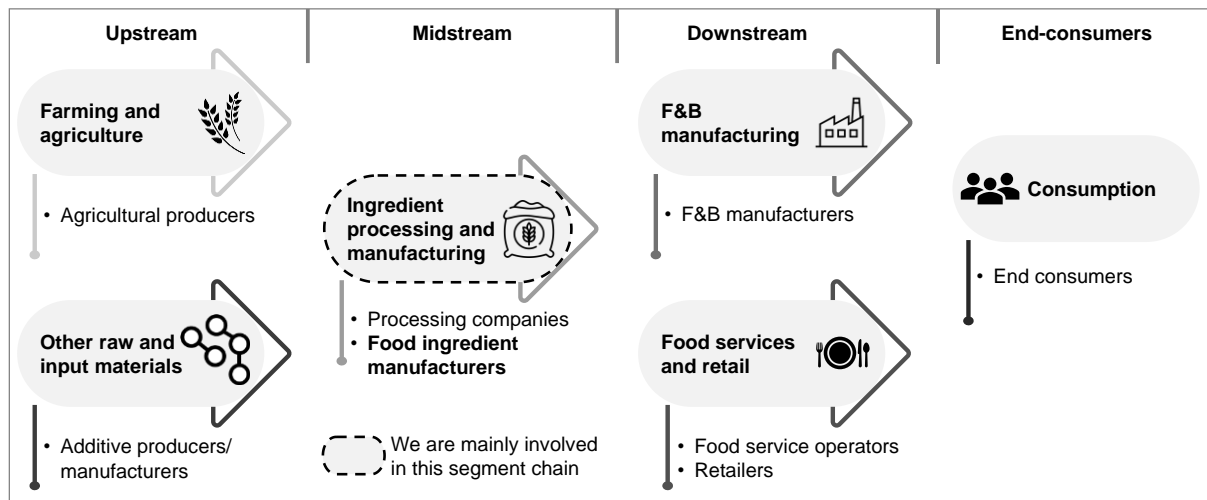
**7.4.1.1 Overview**

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

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

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

**Our position within the F&B value chain**



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

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

**7.4.1.2 Our production facility**

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

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

## 7. BUSINESS OVERVIEW (CONT'D)

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

### Types of product packaging



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

### 7.4.1.3 Our food premix products

Our food premix products can be categorised as follows:

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

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

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

#### (i) Seasoned flour premixes

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

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

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

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

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**Types of seasoned flour premixes**

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

Our seasoned flour premixes are generally categorised as follows:

**(a) Fried chicken coating mix**

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

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

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

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

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

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

**Our fried chicken coating mix in 150g retail packs**



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



**(b) Tempura batter mix**

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

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

**Our tempura batter mix in 500g retail pack**



## 7. BUSINESS OVERVIEW (CONT'D)

### (c) Fritter mix

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

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

**Example of our fritter mix in retail pack**



### (ii) Seasoning premixes

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

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

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

#### **Types of seasoning premixes**

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

#### **(a) Fried rice or noodles seasonings**

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

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

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

**Our fried rice or noodles seasonings in 20g retail packs**



**(b) Stock seasonings**

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

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



**(c) Specialty seasonings**

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

**Our specialty seasonings in retail packs**



## 7. BUSINESS OVERVIEW (CONT'D)

### (d) All-purpose seasonings

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

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



### (iii) Other food base premixes

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

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

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

#### Our instant mashed potato mix in retail packs



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## 7. BUSINESS OVERVIEW (CONT'D)

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### 7.4.2 SUPPLY SEGMENT

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

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

#### 7.4.2.1 Supply of food ingredients

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

##### Types of food ingredients

The food ingredients we trade are generally categorised as follows:

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

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

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

## 7. BUSINESS OVERVIEW (CONT'D)

### Repackaging

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

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

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



#### 7.4.2.2 Supply of food processing and production equipment

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

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

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

## 7. BUSINESS OVERVIEW (CONT'D)

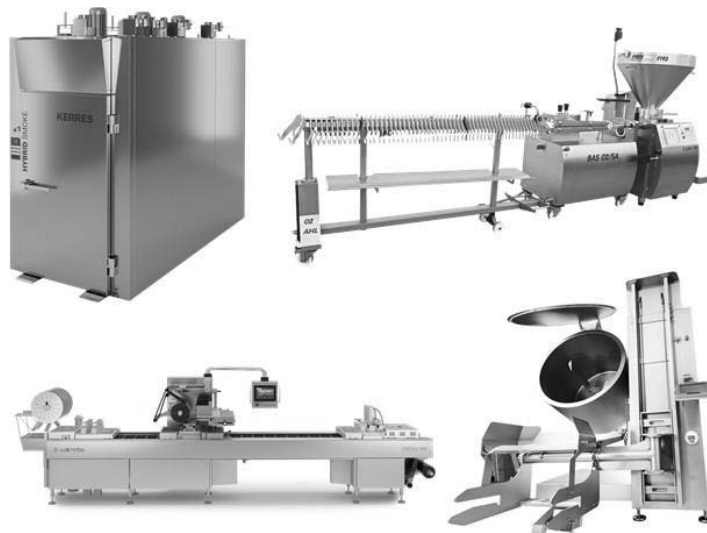
### Examples of our meat cutting, meat grinding and mixing equipment



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

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

### Examples of other food processing equipment



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

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

#### 7.4.2.3 Sales of related spare parts and maintenance services

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

## 7. BUSINESS OVERVIEW (CONT'D)

### 7.5 OPERATIONAL FACILITIES

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

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

### 7.6 MAJOR MACHINERY AND EQUIPMENT

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

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

### 7.7 PRODUCTION CAPACITY AND UTILISATION

#### 7.7.1 Production of fried chicken coating mix

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

## 7. BUSINESS OVERVIEW (CONT'D)

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

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

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

### 7.7.2 Repacking of food ingredients

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

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

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

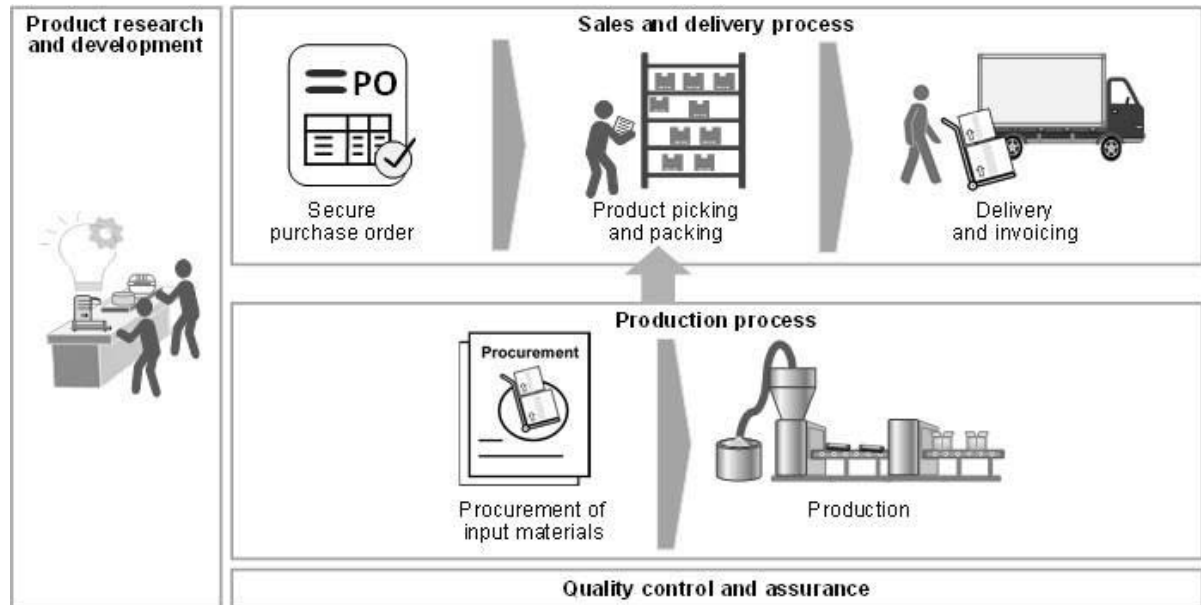
	<b>Capacity (tonnes)</b>	<b>Actual output (tonnes)</b>	<b>Utilisation rate (%)</b>
FYE 2023	6,300	710	11%
FYE 2024	6,300	918	15%
FYE 2025	6,300	1,290	20%

## 7. BUSINESS OVERVIEW (CONT'D)

### 7.8 PROCESS FLOW

#### 7.8.1 Production segment

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



#### (i) Product R&D

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

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

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

#### (ii) Sales and delivery process

##### Secure purchase order

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

## 7. BUSINESS OVERVIEW (CONT'D)

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

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

### Product picking and packaging

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

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

### Delivery and invoicing

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

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

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

### (iii) Production process

#### Procurement of input materials

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

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

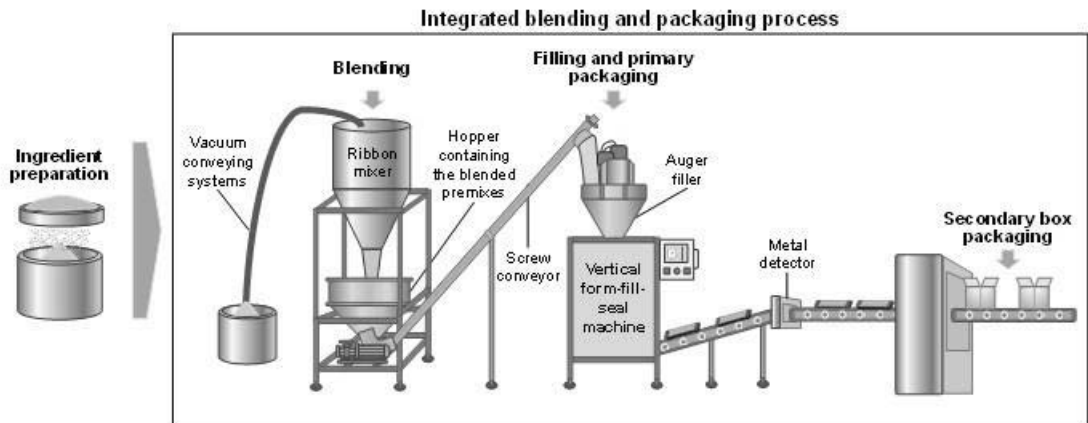
Our warehouse in Bestari HQ



## 7. BUSINESS OVERVIEW (CONT'D)

### Production

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



### Ingredient preparation

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

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

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

### Blending and packaging

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

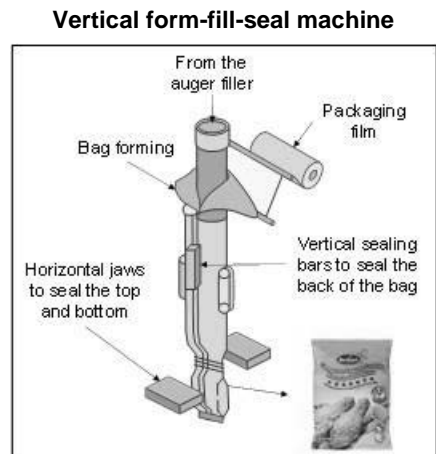
All weighed input materials are transferred using the vacuum conveying systems into our mixing machines for blending. Please refer to Section 7.10 of this Prospectus for further details on the vacuum conveying systems.

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

## 7. BUSINESS OVERVIEW (CONT'D)

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

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



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



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

### (iv) Quality control and assurance

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

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

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

## 7. BUSINESS OVERVIEW (CONT'D)

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

### 7.8.2 Supply of food ingredients

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



#### Secure purchase order

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

#### Order processing and procurement

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

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

#### Receipt of products

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

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

#### Storage of products

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

## 7. BUSINESS OVERVIEW (CONT'D)

### Delivery to customers

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

## 7.9 RESEARCH AND DEVELOPMENT

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

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

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

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

## 7.10 TECHNOLOGIES USED

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

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

## 7. BUSINESS OVERVIEW (CONT'D)

### Vacuum conveying systems

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

#### Our vacuum conveying systems



### Automated weighing and packaging systems

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

### ASRS smart warehouse

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

#### 7.11 SEASONALITY

We do not experience any seasonality in our revenue.

#### 7.12 MATERIAL INTERRUPTIONS TO OUR BUSINESS

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

## 7. BUSINESS OVERVIEW (CONT'D)

### 7.13 SALES AND MARKETING ACTIVITIES

#### 7.13.1 Market positioning

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

**(i) Own brand 'Bestari' products**

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

**(ii) Diversified product portfolio**

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

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

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

**(iv) Diverse customer base**

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

#### 7.13.2 Sales and marketing activities

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

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

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

## 7. BUSINESS OVERVIEW (CONT'D)

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

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

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

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

## 7. BUSINESS OVERVIEW (CONT'D)

### 7.14 TYPES AND SOURCES OF INPUT MATERIALS AND SERVICES

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

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

#### Note:

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

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

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

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

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

## 7. BUSINESS OVERVIEW (CONT'D)

### 7.15 MAJOR CUSTOMERS

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

#### FYE 2023

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

#### FYE 2024

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

#### FYE 2025

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

#### Notes:

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

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

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

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

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

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

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

## 7. BUSINESS OVERVIEW (CONT'D)

### 7.16 MAJOR SUPPLIERS

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

#### FYE 2023

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

#### FYE 2024

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

#### FYE 2025

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

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

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

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

**7.17 EMPLOYEES**

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

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

**Notes:**

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

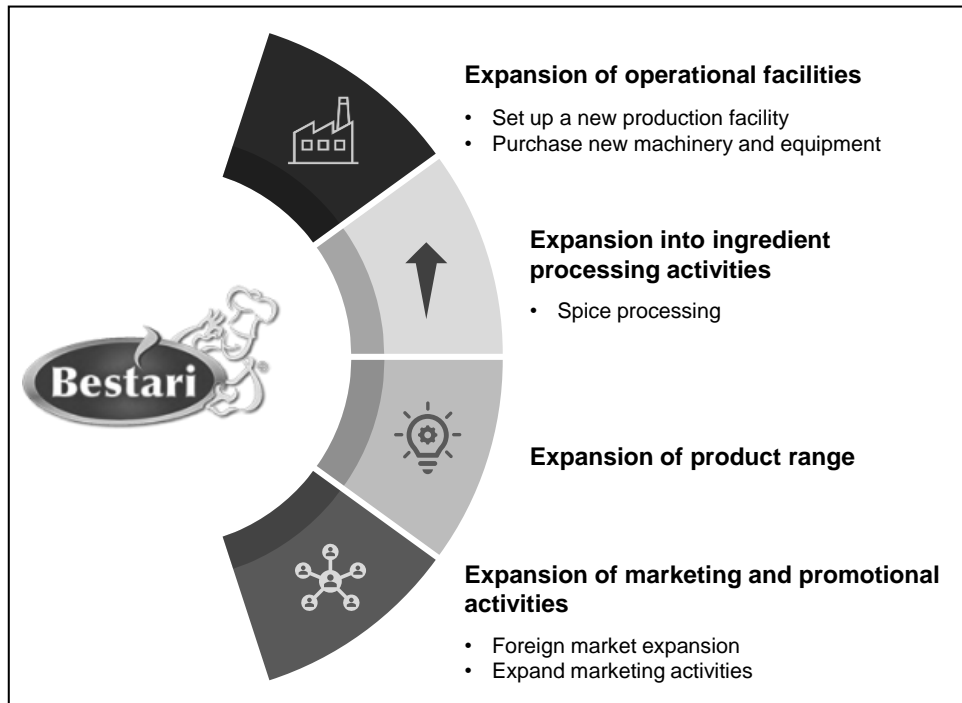
As at the LPD, we employ a total workforce of 217 employees comprising 146 permanent employees and 71 foreign workers. In addition, none of our employees belong to any union nor are they parties to any collective agreements, and there has not been any strikes or other disruptions due to labour disputes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

## 7. BUSINESS OVERVIEW (CONT'D)

### 7.18 STRATEGIES AND PLANS

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

The summary of our strategies and plans is as follows:



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

#### 7.18.1 Expansion of operational facilities

##### (i) Set up a new production facility

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

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

## 7. BUSINESS OVERVIEW (CONT'D)

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

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

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

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

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

## 7. BUSINESS OVERVIEW (CONT'D)

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

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

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

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

### (ii) Purchase new machinery and equipment

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

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

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

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

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

## 7. BUSINESS OVERVIEW (CONT'D)

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

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

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

### 7.18.2 Expansion into ingredient processing activities

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

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

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

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

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

## 7. BUSINESS OVERVIEW (CONT'D)

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

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

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

### 7.18.3 Expansion of product range

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

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

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

### 7.18.4 Expansion of marketing and promotional activities

#### (i) Foreign market expansion

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

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

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

#### (ii) Expand marketing activities

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

## 7. BUSINESS OVERVIEW (CONT'D)

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

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

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

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

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

### 7.19 MATERIAL DEPENDENCY ON CONTRACTS

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

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

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

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

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

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

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

**7. BUSINESS OVERVIEW (CONT'D)****(ii) Distributorship agreement dated 1 July 2025 entered into between Bestari Sales and Kapaly ("Distributorship Agreement")**

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

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

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






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

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## 7. BUSINESS OVERVIEW (CONT'D)

### 7.20 INTELLECTUAL PROPERTY RIGHTS








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

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









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

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


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

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

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

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



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

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

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

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

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



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

**Notes:**

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

## 7. BUSINESS OVERVIEW (CONT'D)

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

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

### Notes:

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

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

## 7. BUSINESS OVERVIEW (CONT'D)

### 7.21 MAJOR APPROVALS, LICENCES AND PERMITS

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

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

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

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

## 7. BUSINESS OVERVIEW (CONT'D)

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



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

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

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

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

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

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

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

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

## 7. BUSINESS OVERVIEW (CONT'D)

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



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

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

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

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

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

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

**Notes:**

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

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

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

## 7. BUSINESS OVERVIEW (CONT'D)

### 7.22 MATERIAL PROPERTIES

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

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

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

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

**Notes:**

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

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

## 7. BUSINESS OVERVIEW (CONT'D)

### 7.23 GOVERNING LAWS AND REGULATIONS

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

#### Malaysia

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

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

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

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

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

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

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

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

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

## 7. BUSINESS OVERVIEW (CONT'D)

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

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

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

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

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

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

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

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

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

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

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


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

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

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

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

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

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

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

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

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

**(v) Local Government Act 1976 (“LGA”)**

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

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

## 7. BUSINESS OVERVIEW (CONT'D)

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

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

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

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

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

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

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

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

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

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

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

## 7. BUSINESS OVERVIEW (CONT'D)

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

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

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

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

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

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

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

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

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

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


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**(viii) Fire Services Act 1988 (“FSA”)**

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

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

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

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

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

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

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

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

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

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

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


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

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

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

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

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

**(ii) Regulation of Imports and Exports Regulations**

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

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

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

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

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

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**7.23.1 Non-compliances**

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

**(i) Audits or inspections by regulatory authorities**

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

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

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

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

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

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

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

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


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

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

Such modifications included:

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

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

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

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

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

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

## 7. BUSINESS OVERVIEW (CONT'D)

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

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

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

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

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

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

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

## 7. BUSINESS OVERVIEW (CONT'D)

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

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

### Deployment of foreign workers at the premises of related entities

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

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

### Discrepancy in work location stated in foreign workers' work permits

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

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

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

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

## 7. BUSINESS OVERVIEW (CONT'D)

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

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

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

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

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

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

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

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

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

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

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

## 7. BUSINESS OVERVIEW (CONT'D)

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

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

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

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

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

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

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

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

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

## 7. BUSINESS OVERVIEW (CONT'D)

### 7.24 ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRACTICES

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

#### (i) Environmental

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

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

#### (ii) Social

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

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

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

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

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

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

**(iii) Governance**

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

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

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

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

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

**8. INDUSTRY OVERVIEW**

3 June 2026

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

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Company No.: 199301012059 (266797-T)  
V Square @ PJ City Centre (VSQ)  
Block 6 Level 6, Jalan Utara  
46200 Petaling Jaya  
Selangor, Malaysia  
Tel: (603) 7931-3188  
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Dear Sirs and Madams

**Independent Assessment of the Food Ingredients Industry, Focusing on Food Premixes**

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 (IPO), reverse takeovers, chain listings, transfers to the Main Market, and business regularisations for publicly 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 food ingredients industry, focusing on food premixes for inclusion in the prospectus of Bestari Food Berhad for its IPO 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 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 IPO and listings of their shares on Bursa Securities.

## 8. INDUSTRY OVERVIEW (CONT'D)



Date of Report: 3 June 2026

### INDEPENDENT ASSESSMENT OF THE FOOD INGREDIENTS INDUSTRY, FOCUSING ON FOOD PREMIXES

#### 1. OVERVIEW OF BESTARI FOOD GROUP'S BUSINESS AND REPORT PARAMETERS

- Bestari Food Berhad and its subsidiaries (Bestari Food Group) are mainly involved in the production of food premixes and the supply of food ingredients in Malaysia, which shall form the focus of this report. Food and food products referred in this report are 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 Ingredients Industry

- Food ingredients comprise the components used in the production of processed food, including base ingredients, which form the main structure of the product (e.g. flour in bread), and functional or additive ingredients such as preservatives, emulsifiers and flavourings. Food ingredients may be derived from plant-based or animal-based sources, as well as natural or synthetic substances, and are used in the processing, manufacturing, preservation and enhancement of food. They play a key role in determining a product's nutritional composition, sensory characteristics, shelf life and overall quality.
- Food products, in contrast, refer to the final consumable goods sold to end consumers, such as snacks, beverages, dairy products and ready-to-eat meals. While food ingredients serve as the building blocks, food products are the finished goods intended for consumption.
- The food ingredients 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 (such as wheat, corn and oats), oils and fats (such as palm, coconut and sunflower oil), dairy (such as milk and whey powder), meat and seafood. These ingredients 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 colourings, emulsifiers, stabilisers and blended products (including food premixes), are value-added components that provide specific functional, sensory and/or nutritional benefits. These ingredients typically involve formulation and blending, and in some cases may require more specialised processing techniques. Specialty food ingredients play a crucial role in enhancing product quality, sensory attributes, stability, appearance, shelf life, and consumer appeal. They may be

8. INDUSTRY OVERVIEW (CONT'D)

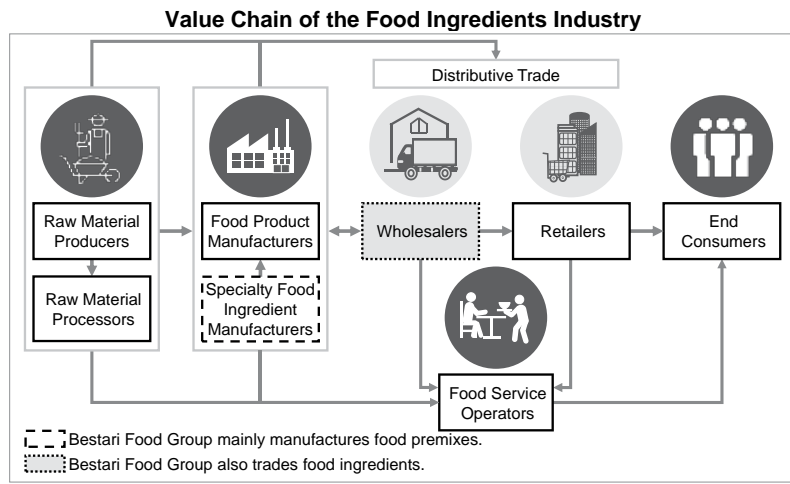


customised to meet specific formulation requirements and characteristic needs, supporting product differentiation in the processed food industry.

2.2 Value Chain of the Food Ingredients Industry

- The food ingredients industry is underpinned by a multi-tiered value chain that transforms agricultural and chemically derived raw materials into functional ingredients and intermediate products used in food manufacturing and preparation.

- The value chain begins with **raw material producers**, which supply plant-based (such as grains and cereals, oils and fats, fruits and vegetables, nuts, seeds and legumes),



animal-based (such as dairy, meat, poultry and seafood), as well as mineral and chemically derived inputs (such as salts, additives and flavouring compounds). These inputs are subsequently processed by raw material processors into **commodity food ingredients** such as flour, sugar, starches, oils, and basic seasonings, which serve as core inputs in food production.

- Specialty food ingredient manufacturers** formulate, process and blend various food ingredients to produce value-added ingredients with specific functional, sensory and/or nutritional properties. These include formulated ingredients such as flavourings, colourings, emulsifiers and stabilisers, as well as blended products such as food premixes, including seasoned flour and coating systems, seasoning mixes, and food base premixes.
- Both commodity and specialty food ingredients are supplied to **food product manufacturers**, which then utilise these inputs in the production of food products. Commodity food ingredients may also be distributed directly through trade channels, including **wholesalers** and **retailers**, or supplied to **food service operators**, such as restaurants and catering providers. Food products are subsequently distributed through these channels to reach **end consumers**.
- Bestari Food Group operates within the specialty food ingredients segment of the value chain, encompassing both manufacturing and wholesale trade activities, and is principally involved in the production of food premixes, as well as the supply and repacking of food ingredients.

3. REGULATIONS AND CERTIFICATIONS

- Under the Food Hygiene Regulations 2009, all food premises must be registered with the Ministry of Health (MoH) and renewed every three years. Bestari Food Group's premises are registered with the MoH.

**8. INDUSTRY OVERVIEW (CONT'D)**



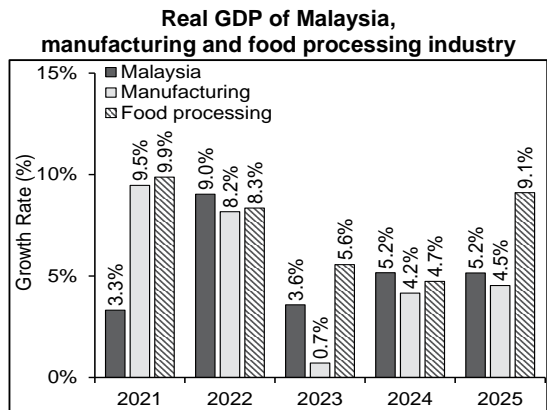
- Food manufacturers must implement at least one **Food Safety Assurance Programme** by MoH, which establishes controls to ensure food safety, quality, authenticity, and legality throughout the entire food supply chain, including the following, among others:
  - **Hazard Analysis and Critical Control 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.
  
- **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.

**4. INDUSTRY PERFORMANCE**

- Bestari Food Group is principally engaged in the production of food premixes and the supply of food ingredients, operating within the broader food processing industry. The performance of the food processing industry, related manufacturing activities, and downstream distribution channels indicates demand conditions for food premixes and food ingredient supply, which in turn affects operators like Bestari Food Group.

**4.1 GDP**

- Gross domestic product (GDP) measures the total value added to the production or output of goods and services in a country or sector during a specified period. Real GDP adjusts for changes in price levels (inflation or deflation). It reflects changes in the actual output of goods and services over time, providing a more accurate measure of economic growth. Nominal GDP is calculated using current market



(Source: Department of Statistics Malaysia (DoSM))

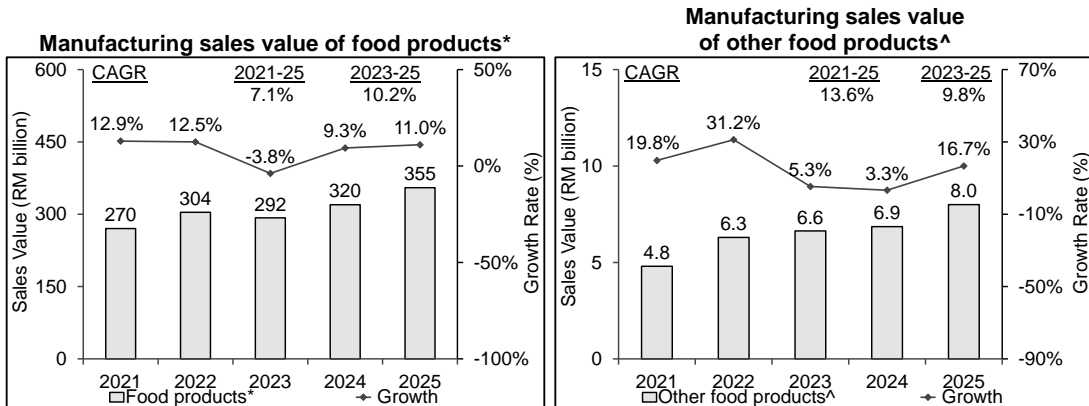
8. INDUSTRY OVERVIEW (CONT'D)



prices and does not account for inflation or deflation, reflecting both output and price changes.

- Malaysia's real GDP expanded by 5.2% in both 2024 and 2025, supported by resilient domestic demand. The manufacturing sector recorded real GDP growth of 4.2% in 2024 and 4.5% in 2025, underpinned by steady growth in both export- and domestic-oriented industries, with domestic-oriented industries supported by resilient household spending, stronger tourism-related demand for food and beverages (F&B) and other segments. (Source: DoSM, Bank Negara Malaysia (BNM))
- The food processing industry, which forms part of the manufacturing sector, expanded by 4.7% in 2024 and accelerated to 9.1% in 2025, outperforming the broader manufacturing sector. This indicates relatively resilient demand for food-related products, supporting continued production activity. (Source: DoSM)
- In the first quarter (Q1) of 2026, Malaysia's economy, the manufacturing sector and the food processing industry expanded by 5.4%, 5.9% and 8.0%, respectively, compared to Q1 2025. (Source: DoSM)

4.2 Manufacturing Sales Value



(Source: DOSM) Notes: CAGR = Compound annual growth rate; \* Excludes beverages; ^ Includes vinegar, artificial honey and caramel, yeast, extracts and juices, non-dairy milk and cheese substitutes, baby foods, soups and broths, processed salt, artificial concentrates, homogenised composite food preparations, and other food preparation not elsewhere classified.

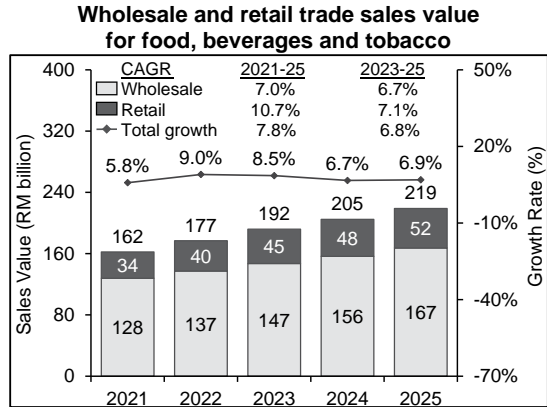
- The manufacturing sales value of food products (excluding beverages) contracted by 3.8% in 2023, before recovering to 9.3% growth in 2024 and 11.0% in 2025, recording a CAGR of 10.2% over the period. The contraction in 2023 was followed by a recovery in food manufacturing activities, with growth momentum continuing into Q1 2026, as manufacturing sales value increased by 7.7% compared to Q1 2025. (Source: DoSM)
- Within food products, the manufacturing sales value of other food products grew by 5.3% in 2023, 3.3% in 2024 and 16.7% in 2025, representing a CAGR of 9.8% over the period. Growth in 2025 exceeded that of total food products, indicating comparatively stronger expansion in selected processed and intermediate food categories. In Q1 2026, the manufacturing sales value of other food products expanded by 8.8% compared to Q1 2025. In value terms, other food products accounted for 2.3% of total food manufacturing sales in 2025. (Source: DoSM) While the segment remains relatively small, its sustained growth may suggest increasing demand for processed and formulated food components, which may support operators in the food premixes industry.

8. INDUSTRY OVERVIEW (CONT'D)



4.3 Wholesale and Retail Trade Sales Value

- The wholesale and retail trade sales value for food, beverages and tobacco increased from RM192.0 billion in 2023 to RM219.0 billion in 2025, representing a CAGR of 6.8% over the period. Growth was relatively stable, at 6.7% in 2024 and 6.9% in 2025. Retail trade recorded a slightly higher CAGR of 7.1% between 2023 and 2025, compared to 6.7% for wholesale trade, reflecting marginally stronger expansion at the consumer-facing level. Growth continued into Q1



(Source: DoSM) 2026, with the wholesale and retail trade sales value for food, beverages and tobacco increasing by 6.0% compared to Q1 2025. Retail trade expanded by 7.1%, while wholesale trade grew by 5.6% over the same period. In 2025, wholesale trade accounted for 76.4% of total trade sales, with retail accounting for the remaining 23.6%, highlighting the predominance of wholesale channels in food distribution. (Source: DoSM)

- The expansion across both channels reflects continued distribution and sales for food-related products. The dominance of wholesale trade supports the flow of food ingredients through supply chains, including trading activities undertaken by Bestari Food Group.

5. DEMAND DEPENDENCIES

5.1 Household Income and Consumption Expenditure

- 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 various food ingredients within the wider F&B industry.

Year	RM	Disposable income
2019		6,764
2022		7,111
2024		7,584
<b>2019-24 CAGR</b>		<b>2.3%</b>
<b>2022-24 CAGR</b>		<b>3.3%</b>

- Between 2019 and 2024, Malaysia's mean monthly household disposable income increased from RM6,764 to RM7,584. Growth was stronger in the later period, with household disposable income rising at a CAGR of 3.3% between 2022 and 2024, indicating improving income levels and continued support for consumer demand. (Source: DoSM)

Year	RM	F&B at home	F&B away from home	Total
2019		780	601*	4,609
2022		841	790^	5,150
2024		876	903^	5,566
<b>2019-24 CAGR</b>		<b>2.3%</b>	<b>8.5%</b>	<b>3.8%</b>
<b>2022-24 CAGR</b>		<b>2.0%</b>	<b>6.9%</b>	<b>4.0%</b>

(Source: DoSM) **Notes:** \* Data for 2019 is for restaurants and cafes only; ^ Data for 2022 and 2024 include restaurants, cafes, cafeterias and others; Latest available data.

- Household consumption patterns have shown consistent growth over the past decade,

**8. INDUSTRY OVERVIEW (CONT'D)**

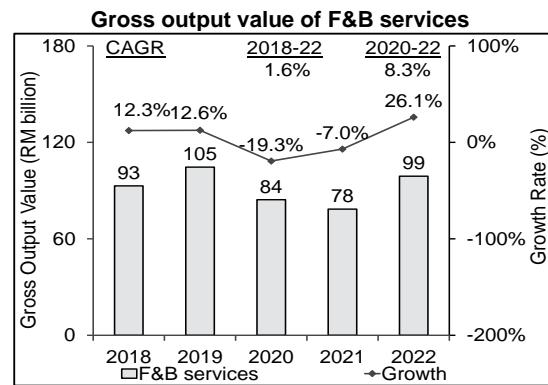


underpinned by rising incomes, urbanisation and lifestyle shifts. Total household consumption expenditure increased from RM5,150 in 2022 to RM5,566 in 2024, representing a CAGR of 4.0%, indicating a broader expansion in consumer spending. The combined expenditure on F&B at home and F&B away from home rose at a CAGR of 4.4% over the same period, marginally outpacing overall household expenditure growth, reflecting the essential nature of food consumption. (Source: DoSM)

- Within the F&B at home segment, food premixes are typically captured under sub-categories such as “other food products”. The monthly expenditure in this category increased from RM89 in 2022 to RM107 in 2024, representing a CAGR of 9.6%, exceeding the overall growth in F&B at-home expenditure. The share of “other food products” within total F&B at home expenditure also increased from 10.6% in 2022 to 12.2% in 2024, indicating a gradual increase in household spending within this category, which may reflect evolving consumption preferences. (Source: DoSM)

**5.2 F&B Services Industry**

- The F&B services industry represents a key end-use segment for food premixes, particularly within food service applications such as restaurants, cafes and catering operators. Industry activity levels, as reflected by gross output value, influence demand for food premixes.

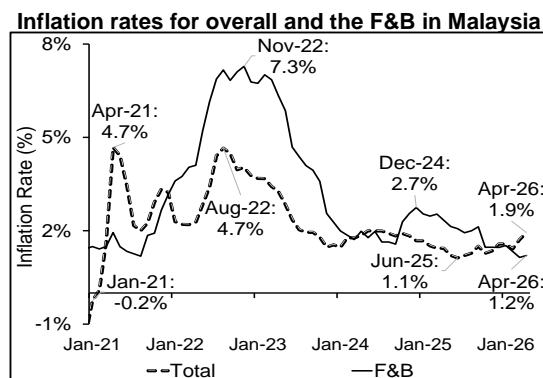


- The gross output value of the F&B services industry increased from RM84.4 billion in 2020 to RM99.0 billion in 2022, representing a CAGR of 8.3% over the period. Growth reflects a recovery in F&B services activity following contractions in 2020 and 2021, with output rebounding by 26.1% in 2022. (Source: DoSM)

- In 2022, the F&B services industry comprised 136,453 establishments, indicating a broad base of operators across the market. Accordingly, the recovery in F&B services activity and the broad base of operators support demand for food premixes within F&B services applications. (Source: DoSM)

**5.3 Inflation**

- 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.



- Between 2023 and 2025, the CPI for F&B increased at a CAGR of 2.0%, compared to a CAGR of 1.6% for the overall CPI over the same period. Annual F&B inflation moderation from 4.8% in 2023 to 2.0% in 2024 and 2.1% in 2025, indicating a gradual easing in price pressures following earlier increases. (Source: DoSM)

**8. INDUSTRY OVERVIEW (CONT'D)**



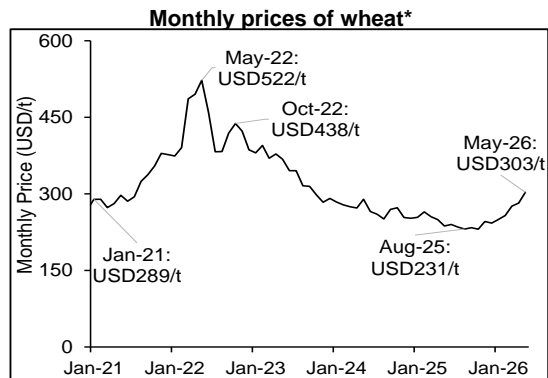
- Increases in F&B-related costs may lead to higher retail and foodservice prices, which could moderate consumption volumes. This may, in turn, affect demand for food premixes used in both household and foodservice applications.

**6. SUPPLY DEPENDENCIES**

**6.1 Price of Key Input Materials**

- Wheat flour represents a key input material in the manufacture of food premixes, particularly for applications such as coating and batter mixes. As wheat flour is derived from wheat, movements in underlying wheat prices serve as a proxy for broader input material cost trends within the food premix industry.

- Global wheat prices, based on the United States (US) No. 2 hard red winter wheat Gulf export prices, increased from USD289 per tonne (t) in January 2021 to a peak of USD522/t in May 2022 before moderating to USD303/t in May 2026, representing a decline of 42.0% from the peak. Between 2023 and 2025, wheat prices declined at an average annual rate of 15.5%, from USD340/t in 2023 to USD269/t in 2024 and further to USD243/t in 2025. (Source: Vital Factor analysis)



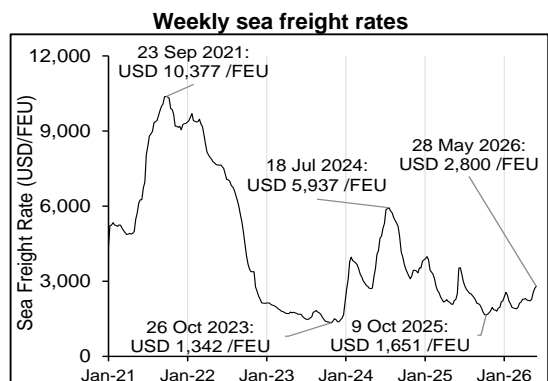
(Source: Vital Factor analysis) **Note:** \* Based on US No. 2 hard red winter wheat Gulf export prices.

- The earlier increase reflects a period of elevated global commodity prices, resulting in higher input costs for food premix manufacturers, particularly for products where wheat flour is a key component. The subsequent moderation in wheat prices indicates easing cost pressures.

**6.2 Sea Freight Rates**

- Sea freight is a key logistics cost component in procuring imported input materials and ingredients used in the manufacture of food premixes.

- Global sea freight rates increased from USD1,342/ FEU on 26 October 2023 to a peak of USD5,937/FEU on 18 July 2024, before moderating to USD2,800/FEU on 28 May 2026, representing a decline of 52.8% from the peak. The increase in 2024 reflects heightened geopolitical tensions and global shipping disruptions, while the subsequent moderation indicates a partial normalisation in freight conditions. (Source: Vital Factor analysis)



(Source: Vital Factor analysis) **Notes:** FEU = 40-foot equivalent unit; Date range from 1 January 2021 to 28 May 2026.

## 8. INDUSTRY OVERVIEW (CONT'D)



### 7. COMPETITIVE LANDSCAPE

- This section presents selected operators within the food ingredients industry, including, among others, those involved in the manufacturing of food premixes in Malaysia, such as seasoned flour premixes and seasoning premixes. The selected companies comprise operators with revenue ranges comparable to Bestari Food Group, as well as larger food ingredients manufacturers. These larger operators are included for contextual purposes, given their greater financial resources, competitive capacity, and ability to better withstand temporary economic and business downturns, while smaller companies are also included for context.
- While these companies operate in similar sectors, they may not be directly comparable due to differences in, among others, business scope, geographic presence (domestic and/or international), industry focus, product range, revenue size, and the level of support from parent companies or shareholders. The selected companies have manufacturing facilities in Malaysia with relatively recent financial information. The list is not exhaustive and is presented in descending order of revenue.

Company	F	S	FYE <sup>(1)</sup>	Rev <sup>(2)</sup> (RM '000)	GP <sup>(2)</sup> (RM '000)	GP <sup>(2)</sup> margin	PAT <sup>(2)</sup> (RM '000)	PAT <sup>(2)</sup> margin
Mamee-Double Decker Distribution (M) S/B		√	Dec-24	1,498,414	317,670	21.2%	53,655	3.6%
Adabi Consumer Industries S/B	√	√	Dec-24	686,213	209,820	30.6%	26,314	3.8%
Ajinomoto (Malaysia) Berhad <sup>(3)</sup>	√	√	Mar-25	684,504	n.a.	n.a.	49,663	7.3%
Syarikat Faiza S/B		√	Dec-24	465,067	76,433	16.4%	3,404	0.7%
<b>Bestari Food Group</b>	√	√	<b>Dec-25</b>	<b>175,323</b>	<b>81,986</b>	<b>46.8%</b>	<b>31,032</b>	<b>17.7%</b>
Spice & Seasonings Specialities S/B <sup>(4)</sup>		√	Dec-24	168,508	n.a.	n.a.	11,125	6.6%
Agricore CS Holdings Berhad <sup>(5)</sup>	√	√	Dec-25	136,075	18,285	13.4%	3,610	2.7%
APS-Manja S/B	√		Dec-24	62,866	21,341	33.9%	4,534	7.2%
Alagappa Flour Mills S/B		√	Dec-24	37,750	4,910	13.0%	518	1.4%
Hexa Food S/B	√	√	Jul-25	32,903	n.a.	n.a.	1,508	4.6%
S.E.A Field Food Industries S/B	√	√	Jun-25	24,376	3,243	13.3%	837	3.4%
RK Mubaraka S/B		√	Dec-24	18,449	2,057	11.1%	77	0.4%
Masbest Food Industries S/B	√	√	Dec-24	14,575	2,341	16.1%	317	2.2%

F = seasoned flour premixes; S = seasoning premixes; FYE = Financial Year Ended; Rev = Revenue; GP = Gross Profit; PAT = Profit after Tax; S/B= Sendirian Berhad; n.a.= data not available.

(1) Latest audited financial data from the Companies Commission of Malaysia and Bestari Food Group.

(2) It may include other business activities, products or services at the group or company level.

(3) Listed on the Main Market of Bursa Securities. A subsidiary of Ajinomoto Co. Inc. listed on Tokyo Stock Exchange.

(4) A subsidiary of OCB Berhad listed on the Main Market of Bursa Securities.

(5) Listed on the ACE Market of Bursa Securities.

- In addition to the companies presented in the table, the industry also comprises a number of smaller operators with revenue below RM10 million, including, among others, An Nuur Food Industries S/B, Glow-San S/B, Inland Harvest Food S/B, Lazat Spices Industrial S/B, Soy Asahi Food Service (M) S/B and Winner Foods Consolidated S/B. There are also companies for which financial information is not publicly available, including, among others, Baba Products (M) S/B, Bon Food Industries S/B, Kashiku Marketing S/B and Singlong Food Product S/B. These operators are excluded from the table due to size and/or limited availability of financial information, but remain indicative of the fragmented structure of the food ingredients industry, particularly the food premix segment.

## 8. INDUSTRY OVERVIEW (CONT'D)



### 8. BARRIERS TO ENTRY

- The barriers to entry in the manufacture of food premixes are generally **low to moderate**. Production processes mainly involve blending and mixing dry ingredients, which are less complex than other food ingredient segments that may require more processing methods and various equipment. Capital requirements are moderate, mainly relating to mixing equipment, packaging machinery and working capital for input material procurement, with such equipment generally commercially available. The industry is also characterised by a fragmented structure, as evidenced by the registration of 1,817 new food factories with the Ministry of Health (MoH) in 2024 (*Source: MoH*).
- Regulatory requirements, including food safety certifications such as HACCP and MeSTI, represent a baseline requirement for manufacturers. Compliance requires implementing appropriate quality control systems and processes. Entry into certain customer segments, such as established food service operators, food manufacturers and export markets, may require adherence to customer-specific quality standards and product specifications, as well as a demonstrated track record and established branding, which can increase initial setup requirements and represent barriers to entry.

### 9. INDUSTRY SIZE AND SHARE

- The market size of the food ingredients industry in Malaysia and the market share of Bestari Food Group are estimated as below:

2025 – Malaysia Sales Value	Market Size <sup>(a)</sup> (RM million)	Bestari Food Group	
		Revenue <sup>(b)</sup> (RM million)	Market Share <sup>(c)</sup> (%)
Manufacturing of other food products <sup>(1)</sup>	8,000	143 <sup>(2)</sup>	2%
Wholesale trade of food, beverages and tobacco	167,369	32 <sup>(3)</sup>	Less than 1%

Sources: (a) DoSM; (b) Bestari Food Group; (c) [(b) divided by (a)] x 100%.

- Other food products include vinegar, artificial honey and caramel, yeast, extracts and juices, non-dairy milk and cheese substitutes, baby foods, soups and broths, processed salt, artificial concentrates, homogenised composite food preparations, and other food preparations not elsewhere classified.
- Revenue from the production of food premixes, taken as the proxy for the manufacturing of other food products.
- Revenue from the supply of food ingredients, taken as the proxy for the wholesale trade of food, beverages and tobacco.

### 10. INDUSTRY OUTLOOK AND PROSPECTS

- The industry outlook and prospects for Malaysia's food ingredients industry focusing on food premixes is underpinned by macroeconomic conditions, structural advantages, and sector-specific drivers, fostering opportunities for industry operators.

#### 10.1 Drivers of Growth and Opportunities

- Malaysia's economy** is projected to grow between **4.0% to 5.0%** in 2026, driven by strong domestic demand and steady private sector spending. Household spending will be supported by employment and income growth, alongside policy measures such as civil servant salary adjustments, higher minimum wages, and fiscal supports, including cash assistance. 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*)

## 8. INDUSTRY OVERVIEW (CONT'D)



- The **continued expansion of F&B service outlets** and retail food channels is expected to support demand for standardised and scalable food preparation solutions. In 2024, a total of 30,005 new food premises were registered in Malaysia, comprising 1,817 food factories, 1,879 food catering services, 26,037 food outlet premises and 272 food-selling vehicles, indicating ongoing growth in F&B service-related establishments (*Source: MoH*). These operators represent demand for manufacturers of food premixes.
- 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 food ingredients. (*Source: MIDA*)
- **Rapid urbanisation**, rising income levels, and evolving consumer lifestyles are contributing to a growing preference for convenient, easy-to-prepare food options. This includes increased demand for semi-prepared and ready-to-cook products, where food premixes are used to simplify preparation while ensuring consistency in taste and quality.

### 10.2 Threats and Challenges

- **Geopolitical conflicts** in the Middle East, particularly along key maritime routes such as the Red Sea, may disrupt global shipping networks, leading to route diversions, longer transit times and higher sea freight rates, which in turn may delay the procurement of raw materials and increase logistics costs. In addition, conflicts in the Middle East may affect global energy supply and prices, resulting in higher costs for fuel and electricity, as well as key inputs such as fertilisers for food production and petrochemical-based materials for plastic packaging. Increased energy costs may also raise transportation and manufacturing expenses. These factors may elevate overall production costs and place pressure on margins, particularly where such cost increases cannot be passed on to customers.
- **Wheat prices** in May 2026 were 27.8% higher compared to the corresponding period in 2025, reflecting continued **variability in input pricing** (*Source: Vital Factor analysis*). The manufacturing process of food premixes relies on commodity food ingredients as inputs, including wheat and related derivatives, which are largely influenced by global supply and pricing dynamics. Movements in global commodity prices and foreign exchange rates may influence input costs and pricing stability, leading to fluctuations in procurement costs and affecting cost management for operators in the industry.

### 10.3 Summary of Factors Affecting Industry Prospects

- The prospects for the food ingredients industry, including the food premix segment, are supported by macroeconomic growth, rising household incomes and consumption, as well as structural trends such as increasing demand for convenience-oriented food, expansion of the food service sector, and Malaysia's positioning as a halal production and export hub. However, industry performance remains subject to moderating factors, including evolving consumer preferences towards healthier, less-processed and clean-label products, intensifying competition, and exposure to volatility in raw material and packaging costs. In addition, broader macroeconomic and geopolitical risks, such as inflationary pressures, supply chain disruptions, and potential economic slowdown arising from conflicts in the Middle East, may affect input costs, consumer spending patterns and overall demand conditions.

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**9. RISK FACTORS**

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**OUR OPERATIONS ARE ALSO SUBJECT TO A NUMBER OF FACTORS, MANY OF WHICH ARE OUTSIDE OUR CONTROL. YOU SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THIS PROSPECTUS, INCLUDING THE RISKS AND INVESTMENT CONSIDERATIONS SET OUT BELOW, BEFORE DECIDING TO INVEST IN OUR SHARES.**

**9.1 RISKS RELATING TO OUR BUSINESS OPERATIONS****9.1.1 We are exposed to input material price fluctuations, particularly flour**

As a producer of food ingredient premixes, we are exposed to fluctuations in input material prices, particularly wheat flour, which constitutes a significant portion of our purchases. For the Financial Years Under Review, purchases of wheat flour accounted for 32.7% (RM27.2 million), 32.1% (RM28.1 million), and 32.1% (RM27.8 million) of our total purchases for the Financial Years Under Review respectively.

In addition to wheat flour, we also procure seasonings, including salt, spices, herbs and other food additives, as well as other food ingredients for our operations. These purchases accounted for 49.6% (RM41.2 million), 53.3% (RM46.6 million) and 52.4% (RM45.4 million) of our total purchases for the Financial Years Under Review respectively.

Prices of flour and other food ingredients are inherently volatile and influenced by global commodity market conditions, including supply disruptions arising from adverse weather, geopolitical developments, and trade restrictions, as well as fluctuations in energy, fertiliser, and transportation costs. For instance, global wheat prices fluctuated between approximately USD200 per tonne and USD400 per tonne from 2023 to 2025, reflecting the cyclical nature of these commodities (Source: IMR Report). For the Financial Years Under Review, the average purchase prices for our wheat flour were RM2,400 per tonne, RM2,100 per tonne, and RM1,800 per tonne respectively. Wheat flour is a key input material used in the production of seasoned flour premixes and during the Financial Years Under Review, the purchases of wheat flour generally constituted approximately 60% and 70% of the purchases of ingredients for the production segment.

Any significant or sustained increase in the prices of wheat flour, seasonings or other food ingredients may result in higher production costs. Our ability to mitigate such increases depends on our ability to pass them on to customers through price adjustments, which may not always be possible in full or in a timely manner due to competitive pressures, contractual arrangements, or customer sensitivity to price changes. This may adversely affect our profit margins and results of operations.

Conversely, a decline in input material prices may require us to reduce our selling prices to remain competitive. In such circumstances, we may utilise higher-cost inventory procured in earlier periods to fulfil orders at lower selling prices, which may result in inventory holding losses. In addition, declining prices may necessitate inventory write-downs to net realisable value.

Furthermore, fluctuations in input material prices may affect our pricing strategies, demand for our products and customers' purchasing behaviour, including order timing and volume. While we may undertake measures such as maintaining optimal inventory levels and conducting periodic price reviews, there can be no assurance that such measures will fully mitigate the impact of input material price volatility on our business, financial condition and results of operations.

**9.1.2 We are exposed to supply chain disruptions, particularly in relation to imported input materials**

Our operations depend on the timely and consistent supply of input materials, including wheat flour and certain seasoning inputs, a portion of which are sourced from domestic and foreign suppliers. As such, we are exposed to risks associated with supply chain disruptions, including shipping delays, logistical constraints, geopolitical developments and changes in import regulations.

## 9. RISK FACTORS (CONT'D)

Disruptions to global shipping and logistics networks may arise from circumstances beyond our control, including adverse weather conditions, geopolitical tensions, trade restrictions, social unrest, outbreaks of diseases, port congestion or strikes, and delays or loss of shipments. Recent geopolitical developments, including conflicts in the Middle East and disruptions to key maritime routes such as the Strait of Hormuz, have affected global shipping conditions and energy supply, contributing to increased uncertainty in logistics and supply chains.

In addition, sea freight rates are subject to volatility. For example, the weekly sea freight rate for 40-foot equivalent unit (“FEU”) containers declined to approximately USD2,800 per FEU on 28 May 2026, from a peak of USD5,937 per FEU on 18 July 2024, reflecting fluctuations arising from geopolitical events and global shipping conditions (Source: IMR Report). Any sustained increase in freight rates or disruption to shipping routes may lead to delays in the delivery of input materials and increased procurement costs.

While we maintain relationships with multiple suppliers and implement inventory management practices, there can be no assurance that such measures will fully mitigate the impact of supply chain disruptions. Any inability to secure a timely supply of input materials may adversely affect our production schedules, delay order fulfilment, and consequently, impact our business operations, financial condition and results of operations.

### 9.1.3 We are subject to inflationary pressures, including increases in input materials, logistics and operating costs, which may affect our profitability and sales

Our business, comprising the production of food premixes and the supply of other food ingredients, is subject to inflationary pressures. The cost of input materials may increase due to inflationary pressures, while our operating expenses, including utilities, fuel, logistics, and labour, may also rise.

In particular, we are exposed to rising shipping and logistics costs associated with procuring input materials and distributing our products. Input materials sourced from foreign suppliers accounted for 44.5% (RM37.0 million), 44.8% (RM39.2 million) and 46.1% (RM39.9 million) of our total purchases for FYE 2023, FYE 2024 and FYE 2025, respectively. In addition, we incur transportation costs for the delivery of our products across Peninsular Malaysia, East Malaysia, and to export markets. Our transportation costs increased from approximately RM1.4 million for the FYE 2023 to RM1.9 million for the FYE 2024 and RM2.0 million for the FYE 2025, on the back of higher sales.

Any sustained increase in input material, freight, or operating costs may increase our overall cost base. Our ability to mitigate such increases depends on our ability to pass them on to customers through price adjustments, which may not always be possible in full or on a timely basis due to competitive pressures and customer sensitivity to price changes. This may adversely affect our profit margins and financial performance.

Furthermore, higher selling prices arising from inflationary pressures may affect demand for our products, as customers may reduce order volumes, switch to alternative suppliers or delay purchases. As a result, prolonged inflationary conditions may adversely impact our sales, profitability and overall financial performance.

### 9.1.4 We are dependent on a major customer and are exposed to risks associated with our reliance on appointed distributors

We are dependent on a major customer, namely Kapaly, which is our appointed distributor for Selangor, Kuala Lumpur and Putrajaya since 2010. Revenue contribution from Kapaly accounted for 19.8% (RM27.3 million), 21.4% (RM34.4 million) and 22.6% (RM39.6 million) of our total revenue for the Financial Years Under Review respectively.

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**9. RISK FACTORS (CONT'D)**

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As at the LPD, we have a subsisting distribution agreement with Kapaly, which is subject to annual renewal. There can be no assurance that this agreement will be renewed or that Kapaly will continue to act as our distributor. Any termination of this relationship, or a significant reduction in orders from Kapaly, may require us to appoint one or more new distributors. There can be no assurance that we will be able to replace Kapaly with customers of a similar scale or within a reasonable timeframe, which may adversely affect our financial performance.

In addition, we rely on other appointed distributors, who are also our customers, to distribute and sell our products. Revenue derived from all appointed distributors accounted for 69.8% (RM96.3 million), 72.8% (RM117.0 million) and 75.4% (RM132.1 million) of our total revenue for the Financial Years Under Review respectively. Our agreements with these distributors generally do not impose minimum purchase commitments, and orders are placed at the distributors' discretion. As a result, we have limited visibility over order volumes and continuity, which may lead to fluctuations in demand for our products.

Our reliance on distributors also exposes us to risks related to their performance and business practices, including their ability to market and distribute our products effectively, maintain adequate inventory levels, manage credit risk, and comply with applicable laws and regulations. Any deterioration in the financial condition or operational capabilities of our distributors, or any adverse actions affecting their businesses, may negatively impact their ability to purchase or distribute our products.

Additionally, our distributors operate within specific territories, and we have limited control over their sales strategies, pricing decisions and customer relationships. Any shift in their commercial priorities, including reduced focus on our products or changes in their product mix, may adversely affect our sales volumes and market presence.

There can be no assurance that our distributors will continue to act as our distribution partners or maintain their current purchase levels. The loss of a major distributor, or a material reduction or cessation of orders from one or more distributors, may adversely affect our results of operations and financial performance if we are unable to secure alternative distribution channels or customers on a timely basis.

**9.1.5 We do not have long-term contracts or purchase orders, and our business depends on our ability to continually secure new orders**

Our sales are mainly based on confirmed purchase orders, and we generally do not enter into long-term contracts or maintain purchase orders with durations exceeding 1 year. As a result, our revenue is largely non-recurring once orders are fulfilled or delivered.

In this respect, our business and financial performance depend on our ability to consistently secure new orders from both existing and new customers. There can be no assurance that we will be able to maintain or increase our sales volume, or that existing customers will continue to place orders at historical levels.

The lack of long-term purchase commitments also limits our revenue visibility and may result in fluctuations in order volumes and demand patterns. Customer purchasing decisions may be influenced by various factors beyond our control, including changes in consumer preferences, competitive pricing, availability of alternative suppliers, economic conditions and inventory management strategies of our customers.

In addition, our customers, including distributors and commercial buyers, may adjust the timing and volume of their orders based on their own demand forecasts and inventory levels, which may result in uneven sales patterns across reporting periods. This may affect our ability to plan production, manage inventory efficiently and optimise capacity utilisation.

In addition, increased competition or pricing pressures may affect our ability to secure new orders or renew business with existing customers. If we are unable to consistently generate sufficient purchase orders, this may adversely affect our revenue, operational efficiency, financial condition and results of operations.

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**9. RISK FACTORS (CONT'D)**

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**9.1.6 Our 'Bestari' brand products are susceptible to changes in consumer preferences, market trends and potential negative publicity**

Our 'Bestari' brand of food premixes and other food ingredients are subject to evolving consumer preferences, shifts in market demand and broader industry trends. Changes in consumer tastes, dietary preferences, health and wellness considerations, or increasing demand for alternative or competing products may reduce the attractiveness of our offerings. In addition, trends such as demand for healthier, natural or clean-label products, or preferences for specific cuisines and flavour profiles, may affect the relevance of our existing product range. If we are unable to anticipate or respond to such changes in a timely manner, demand for our products may decline, which could adversely affect our revenue and financial performance.

For the Financial Years Under Review, sales of our 'Bestari' brand of food premixes and other food ingredients accounted for 78.7% (RM108.6 million), 83.5% (RM134.1 million) and 87.4% (RM153.2 million) of our total revenue respectively.

Brand equity is a key driver of our business's sustainability and growth. Accordingly, our ability to maintain and enhance brand awareness, customer loyalty, trust and overall brand perception is critical to retaining existing customers and attracting new customers. Any failure to effectively position and differentiate our brand in a competitive market may weaken our market presence and impact sales.

We are also exposed to risks of negative publicity or adverse market perception arising from factors such as concerns relating to product quality, food safety, ingredient sourcing, compliance with regulatory standards or broader industry issues. In addition, consumer boycotts, the dissemination of negative or misleading information, including fake news, or acts of sabotage may adversely affect our brand. The widespread use of social media and digital platforms may further amplify the speed and reach of such information, potentially resulting in reputational damage and loss of consumer confidence.

Furthermore, any product quality issues, product recalls, contamination incidents or failure to meet regulatory or customer requirements, whether actual or perceived, may have a material adverse impact on our brand reputation. Such events may also expose us to potential claims, regulatory actions or loss of business relationships.

There can be no assurance that market perception of our brand will remain positive or aligned with evolving consumer expectations. If we are unable to maintain the relevance, quality and perceived value of our products, or effectively manage our brand reputation, our business operations, financial condition, and results of operations may be adversely affected.

**9.1.7 Our business is subject to various operational licence requirements and food-related regulations and standards**

Our operations are subject to various operational licence requirements as well as food-related laws, regulations and standards imposed by the relevant authorities. These include requirements relating to food safety, hygiene, manufacturing practices, labelling, packaging, storage, handling and distribution of food products. We are also required to comply with applicable standards for ingredient use, contaminants, traceability, and product quality.

Our licences and permits may be suspended, revoked or not renewed in the event of non-compliance with applicable requirements, which may materially disrupt our operations and adversely affect our financial performance. As at the LPD, save as disclosed in Section 7.23.1(vii) of this Prospectus, we have obtained the necessary licences and permits from the relevant authorities, including those for food premises, manufacturing activities. Details of our major licences and permits are set out in Section 7.21 of this Prospectus.

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**9. RISK FACTORS (CONT'D)**

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Compliance with regulatory requirements involves ongoing costs and resource commitments, including investments in quality assurance systems, facility maintenance, employee training, documentation and monitoring processes. Regulatory requirements may also change from time to time, requiring us to implement operational adjustments, reformulate products, update labelling or obtain additional approvals, which may result in increased compliance costs and potential delays in product launches. In the event of any non-compliance with applicable laws or standards, we may be subject to enforcement actions, including fines, penalties, product recalls, suspension or revocation of licences, or restrictions on the manufacture and sale of our products. Such actions may adversely affect our business operations, reputation, financial condition and results of operations.

In addition, our products are subject to stringent quality and safety expectations. Any contamination, mislabelling or failure to meet required standards, whether actual or perceived, may give rise to product liability claims, customer complaints, regulatory scrutiny or adverse publicity, which may negatively impact our brand and customer relationships.

During the Financial Years Under Review and up to the LPD, there was an incident where a specific batch of iodised salt products was found to be non-compliant with the FR in relation to the maximum limit of iodine content. We have since implemented corrective measures, including monthly recalibration of production equipment and strengthening quality control procedures by implementing additional checks to ensure that the iodine levels comply with the prescribed limits before the products are packaged. Save for a fine of RM4,000, the incident did not have a material adverse impact on our business operations and financial performance during the Financial Years Under Review. Save for the said incident, we have not incurred any material fines, penalties, operational limitations, or licence revocations that have materially affected our business and financial condition during the Financial Years Under Review and up to the LPD. Please refer to Section 7.23.1(vi) of this Prospectus for further details of this non-compliance.

While we have implemented quality control measures and compliance procedures, there can be no assurance that such measures will be sufficient to prevent all instances of non-compliance or that any penalties or enforcement actions, if imposed, will not have a material adverse effect on our business, financial condition and results of operations in the future.

**9.1.8 We are dependent on our halal certification, and any suspension, revocation or non-renewal may adversely affect our business**

Our products and manufacturing premises are halal-certified by JAKIM. Given that more than 90% of our revenue during the Financial Years Under Review was derived from Malaysia, where halal certification is an important consideration for a significant portion of consumers and customers, our ability to maintain such certification is critical to our business.

Halal certification is subject to compliance with applicable halal standards and regulatory requirements, including those relating to sourcing of ingredients, production processes, storage, handling, hygiene and segregation. Any failure to comply with these requirements may result in the suspension, revocation or non-renewal of our halal certification.

In the event that our halal certification is suspended, revoked, or not renewed, we may be required to cease using halal labelling on our products, which could significantly reduce their marketability and acceptance among consumers, distributors, and retailers in Malaysia. This may also lead to the loss of existing customers, termination of supply arrangements, or restrictions on access to certain distribution channels, including major retailers that require halal-certified products.

In addition, any actual or perceived non-compliance with halal requirements may result in negative publicity, reputational damage and loss of consumer confidence, which may be amplified by media coverage and social media platforms.

## 9. RISK FACTORS (CONT'D)

While we have implemented internal controls and procedures to ensure compliance with halal standards, there can be no assurance that such measures will be sufficient to prevent all instances of non-compliance or that our halal certification will be maintained at all times. Any suspension, revocation or non-renewal of our halal certification may materially and adversely affect our business operations, financial condition and results of operations.

### 9.1.9 We are exposed to the risk of unfavourable foreign currency exchange rates

For the Financial Years Under Review, our revenue was mainly derived from product sales transacted in local currency (RM). Meanwhile, our procurement of input materials was conducted in both local currency (RM) and foreign currencies such as the SGD, United States Dollar (USD), Renminbi (RMB) and Euro (EUR) for materials purchased from suppliers abroad. This exposes us to foreign currency risk, mainly SGD, USD, RMB and EUR.

For the Financial Years Under Review, our revenue and purchases were transacted in RM and foreign currencies, as set out below:

	FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%
<b>Revenue</b>						
• RM	134,899	97.8	158,022	98.3	171,332	97.7
• Foreign currencies	2,966	2.2	2,669	1.7	3,991	2.3
- SGD	2,740	2.0	2,305	1.5	3,087	1.8
- Others <sup>(1)</sup>	226	0.2	364	0.2	904	0.5
	<b>137,865</b>	<b>100.0</b>	<b>160,691</b>	<b>100.0</b>	<b>175,323</b>	<b>100.0</b>
<b>Purchases<sup>(3)</sup></b>						
• RM	37,669	45.3	39,610	45.3	40,587	46.8
• Foreign currencies	45,418	54.7	47,760	54.7	46,054	53.2
- USD	22,040	26.5	27,754	31.8	21,521	24.8
- RMB	12,093	14.6	13,386	15.3	16,871	19.5
- EUR	9,239	11.1	6,002	6.9	7,270	8.4
- Others <sup>(2)</sup>	2,046	2.5	618	0.7	392	0.5
	<b>83,087</b>	<b>100.0</b>	<b>87,370</b>	<b>100.0</b>	<b>86,641</b>	<b>100.0</b>

#### Notes:

- (1) Include EUR and USD.
- (2) Include Australian Dollar, Indian Rupee, SGD, Swiss Franc and Thai Baht.
- (3) Comprise purchases of input materials for our production segment and purchases of other materials and equipment for the supply segment.

Unfavourable exchange rate fluctuations may affect our business operations and financial performance through transactions denominated in foreign currencies.

Please refer to Section 12.3.10 of this Prospectus for further information on the impact of foreign exchange fluctuations.

**9. RISK FACTORS (CONT'D)**

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

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

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

**9.1.10 We are dependent on our Managing Director, Executive Director and Key Senior Management for our business continuity**

We depend on the experience, expertise, technical knowledge, and business development expertise of our Managing Director, Executive Director and Key Senior Management for our business operations. Our Managing Director, Lai Kok Siong, has more than 37 years of experience in the food production, food ingredients and food processing machinery industries, and he is responsible for leading our Group's overall operations and strategic direction, including oversight of financial management, sales and business development, risk management and compliance, while driving innovation and continuous operational improvements. Our business operations are also supported by our Executive Director / Head of Sales & Marketing, Gabriel Lai Yung-Yao, who brings more than 13 years of experience in the food production, food ingredients and food processing machinery industries, and is responsible for overseeing sales operations, driving commercial and export expansion, leading new product developments, and managing brand strategy and marketing programmes. Our Managing Director and Executive Director / Head of Sales & Marketing are supported by our Key Senior Management who have relevant experience in their respective fields including Fong Zhoon Zhien (Chief Financial Officer), Chang Kok Leong (Head of Engineering) and Gary Lai Yung-Hui (Head of Production).

The loss of services of any one or more of our Managing Director, Executive Director or Key Senior Management without any suitable and timely replacement may adversely affect our business operations and financial performance.

**9.1.11 We are exposed to risks of product liabilities, product recalls and consumer claims**

We are exposed to risks of product liability, product recalls, and consumer claims arising from our involvement in the production of food premixes and the supply of food ingredients, including products sold in retail packs to the mass consumer market.

Product liability risks may arise from, among others, contamination during production, storage, handling or product display, the unintentional use of unsafe, expired or prohibited ingredients, sabotage or tampering, and product mislabelling, including incorrect ingredient declarations, allergen information or expiry dates. Any such incidents may result in our products being deemed unsafe or non-compliant with applicable food safety regulations and standards.

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**9. RISK FACTORS (CONT'D)**

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In the event of a product defect or safety concern, we may be required to initiate product recalls. Such recalls may involve identifying and tracing affected batches, withdrawing products from distributors and customers, notifying affected parties and regulatory authorities, and disposing of or replacing the affected products. Product recalls may result in significant costs, including logistics and retrieval expenses, disposal and replacement costs, potential regulatory penalties, and increased compliance and administrative costs. They may also disrupt our operations and supply chain.

In addition, we may be subject to consumer complaints, claims, or legal proceedings arising from product quality issues, such as contamination, spoilage, the presence of mould, or other defects. We may also face claims from distributors or customers regarding product defects, including compensation claims or disputes over product quality. Any such claims or disputes may result in financial losses, management distraction and increased legal and administrative costs.

Furthermore, any actual or perceived product quality or safety issues may result in adverse publicity, which may be amplified through traditional and social media, leading to reputational damage and loss of consumer confidence. This may, in turn, negatively affect demand for our products and our relationships with customers and distribution partners.

While we have implemented quality control measures, product traceability systems and standard operating procedures to mitigate such risks, there can be no assurance that these measures will be sufficient to prevent all product-related incidents. Any occurrence of product liability issues, product recalls or consumer disputes may materially and adversely affect our business operations, financial condition and results of operations.

**9.1.12 We are exposed to risks associated with potential loss, leakage or infringement of proprietary formulations and brand rights**

Our proprietary product formulations and brand name are important to our competitive positioning. However, they expose us to the risk of unauthorised access, disclosure, copying, imitation, or reverse engineering by competitors, former employees, business partners, or other third parties. Despite implementing internal controls to restrict access to sensitive information, including limiting access to full formulations, there can be no assurance that such information will not be misappropriated or replicated.

If our formulations or taste profiles are successfully imitated, our products may lose their differentiation in the market, leading to increased competition, pricing pressure, erosion of market share, and a decline in our profitability. In addition, competitors may introduce similar products at lower prices, further affecting our competitive advantage.

We are also exposed to risks of misuse or imitation of our brand name and trademarks, including the sale of counterfeit or unauthorised products falsely represented as ours. Such activities may result in customer confusion, dilution of brand value, reputational damage and potential loss of sales. While we may take enforcement actions to protect our intellectual property rights, such actions may be time-consuming and costly, and may not always be successful, particularly in markets where enforcement is challenging.

We also rely, in part, on confidentiality measures, trade secrets, and unregistered intellectual property, which may offer less protection than registered rights. Any leakage of proprietary information, whether through internal breaches, cyber incidents or third-party misconduct, may have a material adverse impact on our business.

In addition, we develop our products based on internal expertise, research and industry knowledge. There is a risk that certain aspects of our products, branding or processes may inadvertently infringe upon third-party intellectual property rights, including patents, trade secrets, trademarks or copyrights. While we are not aware of any such claims as at the LPD, there can be no assurance that we will not be subject to infringement allegations in the future.

## 9. RISK FACTORS (CONT'D)

Any such claims may result in legal proceedings, financial liabilities, including damages or settlement costs, and/or restrictions on our ability to manufacture, market or sell certain products. We may also be required to modify or discontinue affected products, obtain licences from third parties or incur additional costs to redesign our formulations or branding.

As such, any loss, leakage or infringement of proprietary formulations or brand rights may adversely affect our competitive position, business operations, financial condition and results of operations.

### 9.1.13 Our operations are subject to various operational risks, including labour constraints, equipment breakdown and inventory management challenges

Our business operations are subject to operational risks, including but not limited to the following:

- (i) Our operations depend on labour for the day-to-day activities of our production floor. In this respect, we are exposed to the risk of labour shortages, which may arise from changes in government policies and regulations governing the employment of foreign workers, including hiring restrictions and increases in minimum wages.

Any shortage of labour, or our inability to recruit or retain sufficient workers in a timely manner, may affect our ability to maintain stable operations, which could, in turn, adversely affect our business operations and financial performance.

- (ii) Our production operations depend on the reliable performance of capital-intensive automated machinery and equipment across multiple stages of the production process. Any unplanned breakdowns or malfunctions, whether arising from mechanical failure, electrical faults, software or control system errors, power interruptions or operator error, may result in production downtime and delays in order fulfilment. As our production process involves multiple sequential stages, any disruption at a critical point may affect overall output and our ability to meet customer demand in a timely manner.

In addition, certain specialised equipment and spare parts may be subject to extended repair or replacement lead times, which could result in prolonged downtime, reduced production capacity and the need for unplanned capital expenditure or higher maintenance and repair costs, thereby adversely affecting our results of operations and financial performance.

- (iii) Our products are subject to inherent shelf-life limitations and require proper storage, handling and inventory management to maintain quality, safety and compliance with applicable food standards. Shelf life may be affected by factors such as humidity, temperature, packaging integrity, storage conditions, transportation and handling.

Improper storage or handling may result in product deterioration, including moisture absorption, clumping, loss of flavour or mould growth, which may render products unsuitable for use or non-compliant with regulatory requirements.

In addition, inefficiencies in inventory planning, demand forecasting, or distribution may lead to overstocking or slow-moving inventory, increasing the risk that products approach or exceed their expiry dates. This may result in product write-offs, returns, discounts or disposal costs, adversely affecting our margins and profitability.

We may also be required to withdraw products from the market if they are expired, improperly labelled or otherwise non-compliant with applicable standards. Such events may give rise to additional operational costs, potential regulatory action and reputational damage, which may adversely affect our results of operations and financial performance.

## 9. RISK FACTORS (CONT'D)

- (iv) In addition, we are exposed to the risk of fire incidents, including those arising from faults in power distribution equipment, which may result in damage to assets, operational disruption and safety hazards.

During the FYE 2023, one of our rented shop units at Kota Kemuning Industrial Park, Selangor, experienced a fire incident caused by an electrical short circuit, resulting in loss of inventories but caused no casualty or injury. Based on the assessment by the loss adjuster, total loss amounted to approximately RM0.2 million. The fire incident did not result in any material adverse impact on our business operations and financial performance during the Financial Years Under Review, as the damage was confined to a portion of the rented shop units and losses were fully covered under our Group's commercial fire insurance policy.

Apart from the aforementioned incident, we have not experienced any other material fire-related events that adversely affected our business operations or financial performance. There can be no assurance that similar incidents will not occur in the future or that any such incidents will not adversely affect our business operations and financial performance.

### 9.1.14 Our growth prospects may be adversely affected if we are unable to effectively execute our business strategies and plans

Our business strategies and plans are focused on leveraging our strengths and expertise in the production of food premixes. These include expanding our operational facilities and product range, enhancing our marketing capabilities and outreach, and exploring upstream processing activities to support growth. Further details of our strategies and plans are set out in Section 7.18 of this Prospectus.

Our future growth and prospects depend on our ability to implement these strategies effectively and in a timely manner. There can be no assurance that we will be able to execute our plans as intended, within the expected timeframe, or that such initiatives will achieve the desired commercial outcomes.

Our ability to execute these strategies may be affected by various factors beyond our control, including insufficient funding or bank financing, constraints on human resources or skilled personnel, changes in regulatory requirements, and unforeseen operational or market challenges. In addition, expansion initiatives may entail execution risks, including delays in project completion, cost overruns, supply chain constraints, difficulties integrating new operations, and challenges achieving targeted capacity utilisation or sales volumes.

Furthermore, our expansion into new products, markets or upstream activities may expose us to unfamiliar operational, regulatory and competitive environments, which may increase the complexity of our business and the risks associated with execution.

Any delay, failure, or inability to effectively implement our strategies and plans may limit our growth, adversely affect our competitive position, and result in lower-than-expected returns on investment, which may, in turn, have a material adverse effect on our business, financial condition, and results of operations.

### 9.1.15 Our insurance coverage may not be adequate to fully cover losses or liabilities arising from our business operations

Our business is exposed to various operational and liability risks, and we may not have adequate insurance coverage to fully protect against all potential losses. Adverse events may include workplace injuries arising from the handling of materials and operation of machinery, product liability claims, fire or other property damage, business interruption, cybersecurity incidents such as data breaches or ransomware attacks, and losses arising from employee misconduct, including fraud or breaches of confidentiality.

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**9. RISK FACTORS (CONT'D)**

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We maintain insurance coverage for certain aspects of our operations, including fire, burglary, public liability, employer liability and fidelity guarantee. However, there can be no assurance that our existing insurance policies will be sufficient in scope or coverage limits to fully cover all potential losses, liabilities, or damages that may arise. Certain types of risks may be uninsurable, not economically viable to insure, or subject to exclusions, deductibles or coverage limitations under our policies.

In addition, our insurance coverage may not adequately compensate for indirect or consequential losses, such as loss of business, reputational damage or loss of future earnings. Any claims made may also be subject to insurer approval, and there may be delays in settlement or disputes with insurers over coverage.

There can be no assurance that we will be able to maintain our insurance coverage on commercially reasonable terms in the future, or at all. Insurance premiums may increase over time, and insurers may impose more restrictive terms, higher deductibles or lower coverage limits. If we incur losses that are not covered, or only partially covered, by our insurance policies, we may be required to bear such costs, which could adversely affect our business operations, financial condition and results of operations.

During the Financial Years Under Review and up to the LPD, we have not experienced any material insurance claims relating to such adverse events, save for an insurance compensation amounted to approximately RM0.2 million, arising from a fire incident during the FYE 2023 at one of our rented shop units at Kota Kemuning Industrial Park, Selangor, which was caused by an electrical short circuit and resulted in loss of inventories. The loss of approximately RM0.2 million was fully covered under our Group's commercial fire insurance policy.

**9.2 RISKS RELATING TO OUR INDUSTRY****9.2.1 We face competition from other operators in the food ingredients industry**

We operate in a competitive market and face competition from other operators offering similar food premixes and other food ingredients. We may also face increasing competition from new entrants as they establish themselves in the industry. The food ingredients market is relatively fragmented, with competitors ranging from established manufacturers with larger production capacities, stronger financial resources and wider distribution networks, to smaller niche players focusing on specialised products or customised formulations.

We compete across multiple factors, including product quality and consistency, pricing, turnaround time, customer service, delivery reliability, technical support, product innovation, brand recognition and market reputation. In addition, our ability to maintain sufficient working capital, invest in automation, and expand production capacity may influence our competitiveness relative to larger or better-capitalised competitors.

Intensified competition may result in pricing pressure, reduced profit margins and loss of market share. Competitors may offer similar or substitute products at lower prices, introduce new or improved formulations, or adopt more aggressive marketing and promotional strategies. In addition, customers may diversify their supplier base or switch to alternative suppliers based on price, quality, service levels or other commercial considerations.

Additionally, changes in consumer preferences, evolving industry trends, and increased demand for differentiated or value-added products may require continuous innovation and adaptation. If we are unable to respond effectively to such changes or to maintain our competitive positioning, our ability to attract and retain customers may be adversely affected.

There can be no assurance that we will be able to compete effectively in the future. Any failure to maintain or enhance our competitiveness may adversely affect our business operations, financial condition and results of operations.

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**9. RISK FACTORS (CONT'D)**

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**9.2.2 We are subject to adverse economic, social, political and regulatory conditions**

Our business, financial condition and results of operations may be adversely affected by changes in global and Malaysian economic, social, political and regulatory conditions, which are beyond our control. Such changes may include shifts in political leadership, geopolitical developments, wars, acts of terrorism, civil unrest, outbreaks of epidemics or pandemics, as well as changes in economic policies, including fiscal and monetary measures, taxation policies, interest rates, foreign worker regulations and levies, and trade policies.

The performance of our industry is closely linked to general economic conditions and consumer spending trends. During periods of economic slowdown or uncertainty, consumer spending, particularly discretionary spending on dining and food services, may decline. This may lead to reduced demand for food ingredients, including food premixes, as our customers may scale back operations, reduce order volumes, delay purchases or defer expansion plans. Such developments may adversely affect our revenue and profitability.

In addition, adverse economic conditions may result in increased cost pressures, tighter credit conditions and heightened competition, which may further impact our margins and financial performance. Customers may also seek more competitive pricing or switch to lower-cost alternatives during challenging economic conditions.

Global events, including geopolitical tensions, trade conflicts, sanctions and disruptions to international trade flows, may also affect the availability and cost of input materials, logistics and overall supply chain stability. Prolonged pandemics or similar public health crises may further disrupt supply chains, workforce availability and customer demand.

As these factors are beyond our control, there can be no assurance that adverse changes in economic, social, political or regulatory conditions will not materially and adversely affect our business operations, financial condition and results of operations.

**9.2.3 Geopolitical conflicts in the Middle East may adversely affect our costs, supply chain and demand for our products**

Ongoing geopolitical conflicts in the Middle East may adversely impact global energy markets, shipping routes and overall economic conditions. The Middle East is a key region for global oil and gas supply, and any disruption arising from conflicts, sanctions or instability may lead to increased energy prices. Higher energy costs may, in turn, increase fuel, electricity, and transportation expenses, which could raise our operating and logistics costs.

In addition, such conflicts may disrupt key maritime routes, including major shipping corridors, leading to increased sea freight rates, longer transit times and potential delays in the delivery of input materials and finished goods. Volatility in freight rates may increase our procurement and distribution costs, particularly for imported input materials and shipments to customers in East Malaysia and overseas markets.

Rising energy and logistics costs may also contribute to broader inflationary pressures in the economy. In an inflationary environment, consumers may reduce discretionary spending, including expenditure on dining and food services. This may result in lower demand for food ingredients, including premix products, as our customers adjust their purchasing behaviour, reduce order volumes or delay expansion plans.

Furthermore, prolonged geopolitical instability may weaken overall business confidence, disrupt global trade flows and contribute to currency volatility, which may further impact our cost structure and pricing strategies.

As these factors are beyond our control, there can be no assurance that geopolitical developments in the Middle East will not materially and adversely affect our business operations, financial condition and results of operations.

## 9. RISK FACTORS (CONT'D)

### 9.3 RISKS RELATING TO INVESTMENT IN OUR SHARES

#### 9.3.1 There is no prior market for our Shares and it is uncertain whether an active or sustainable market will ever develop

Prior to our IPO, there has been no prior public market for our Shares. Accordingly, there is no assurance that an active market for our Shares will develop upon Listing or, if developed, that such a market can be sustained. There is also no assurance as to the liquidity of any market that may develop for our Shares, the ability of holders to sell our Shares or the prices at which holders would be able to sell our Shares.

In addition, there can be no assurance that the Final Retail Price will correspond to the price at which our Shares will trade on Bursa Securities upon our Listing. There is also no assurance that the market price of our Shares will not decline below the Final Retail Price.

#### 9.3.2 Our Share price and trading volume may be volatile

The performance of Bursa Securities is dependent on external factors such as the performance of the regional and global stock exchanges and the flows of foreign funds. The sentiment is also induced by factors such as economic and political conditions and the growth potential of the various sectors of the economy. These factors constantly contribute to the volatility of share prices witnessed on Bursa Securities and this adds risks to the market price of our Shares. Nevertheless, our profitability is not dependent on the performance of Bursa Securities as our business activities have no direct correlation with the performance of securities listed on Bursa Securities.

In addition, the market price of our Shares may fluctuate significantly and rapidly in response to, among others, the following factors, some of which are beyond our control:

- (i) variations in our financial results and operations;
- (ii) success or failure of our management team in implementing business and growth strategies;
- (iii) gain or loss of an important business relationship;
- (iv) changes in securities analysts' recommendations, perceptions or estimates of our financial performance;
- (v) changes in conditions affecting the industry, the general economic conditions or stock market sentiments or other related events or factors;
- (vi) changes in market valuations and share prices of companies with similar businesses to our Group that may be listed on Bursa Securities;
- (vii) addition or departure of our Managing Director or Key Senior Management;
- (viii) fluctuation in stock market prices and volume;
- (ix) involvement in litigation; or
- (x) natural disasters, health epidemics and outbreaks of contagious diseases.

There is no assurance that the market price of our Shares will not be subject to volatility due to market sentiments.

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**9. RISK FACTORS (CONT'D)**

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**9.3.3 The interest of our Substantial Shareholders who control our Group may not be aligned with the interest of our other shareholders**

Upon Listing, our Substantial Shareholders will hold approximately 70.4% of our enlarged number of issued Shares. As a result, they will be able to effectively control the business direction and management of our Group, including the election of Directors, the timing and payment of dividends and influence the outcome of certain matters requiring the vote of our shareholders, unless they are required to abstain from voting either by law, or by relevant guidelines or regulations.

There can be no assurance that the interests of our Substantial Shareholders will always be aligned with those of our other shareholders.

**9.3.4 Failure or delay in our Listing**

Our Listing could be delayed or terminated due to the possible occurrences of certain events, which include the following:

- (i) our Sole Underwriter exercising its rights pursuant to the Underwriting Agreement to discharge itself from its obligations thereunder;
- (ii) we are unable to meet the public shareholding spread requirement under the Listing Requirements of at least 25% of our enlarged number of issued Shares to be held by a minimum of 1,000 public shareholders holding not less than 100 Shares each, at the point of our Listing; and
- (iii) the revocation of approvals from relevant authorities prior to our Listing or admission to the Official List for whatever reason.

Where prior to the issuance and allotment or transfer of our IPO Shares:

- (i) if 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 in respect of 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% per annum or at such rate as may be specified by the SC pursuant to Section 245(7)(a) of the CMSA; or
- (ii) if our Listing is aborted, investors will not receive any of our IPO Shares and all monies paid in respect of all applications for our IPO Shares will be refunded free of interest.

Where subsequent to the issuance and allotment of our IPO Shares:

- (i) if 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 forthwith be repaid without interest, 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% per annum or at such other rate as may be specified by the SC from the expiry of that period pursuant to Section 245(7)(b) of the CMSA; or

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**9. RISK FACTORS (CONT'D)**

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- (ii) if our Listing is aborted other than pursuant to a stop order by the SC, a return of monies to our shareholders could only be achieved by way of a cancellation of our share capital as provided under the Act and its related rules. Such cancellation can be implemented by either:
  - (a) the sanction of our shareholders by special resolution in a general meeting, 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) the sanction of our shareholders by special resolution in a general meeting supported by a solvency statement from our directors.

**9.3.5 Uncertainty of dividend payments**

Our ability to declare dividends to our shareholders is dependent on, among others, our future financial performance, cash flow position, capital requirements and other obligations, and our ability to implement our business plans. Deterioration of these factors could have an effect on our business, which in turn will affect our ability to declare dividends to our shareholders. As such, there is no assurance that we will be able to pay dividends to our shareholders.

Furthermore, dividend payments are not guaranteed and our Board may decide, at its discretion, at any time and for any reason, not to pay dividends. 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.

**9.3.6 Forward-looking statements in this Prospectus may not be accurate**

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, prospects, plans and objectives of our Group for future operations are forward-looking statements. Such forward-looking statements are made based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such factors include, among others, general economic and business conditions, competition, the impact of new laws and regulations affecting our industry and government initiatives. Forward-looking statements can be identified by the use of forward-looking terminologies such as the words "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast" or similar expressions and include all statements that are not historical facts.

Such forward-looking statements involve known and unknown risks, uncertainties and other factors, including risks and challenges, which may cause our actual results, performance or achievements of our Group, or industry results, to be materially different from any future results, performance, achievements or industry results expressed or implied by such forward-looking statements.

In light of these uncertainties, the inclusion of such forward-looking statements in this Prospectus should not be regarded as a representation or warranty by us or our advisers that such plans and objectives will be achieved.

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**10. RELATED PARTY TRANSACTIONS**

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**10.1 RELATED PARTY TRANSACTIONS**

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

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

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## 10. RELATED PARTY TRANSACTIONS (CONT'D)

### 10.1.1 Material related party transactions

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

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

**10. RELATED PARTY TRANSACTIONS (CONT'D)**

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

**10. RELATED PARTY TRANSACTIONS (CONT'D)**

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

**10. RELATED PARTY TRANSACTIONS (CONT'D)**

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

**10. RELATED PARTY TRANSACTIONS (CONT'D)**

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

**10. RELATED PARTY TRANSACTIONS (CONT'D)**

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

**Note:**

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

**10. RELATED PARTY TRANSACTIONS (CONT'D)**

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

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

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

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

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

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

**10. RELATED PARTY TRANSACTIONS (CONT'D)**

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

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

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

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

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

**10. RELATED PARTY TRANSACTIONS (CONT'D)**

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

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

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**10. RELATED PARTY TRANSACTIONS (CONT'D)**

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

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

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

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

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

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

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

**10.2.2 Our Group's policy on related party transactions**

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

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

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**10. RELATED PARTY TRANSACTIONS (CONT'D)**

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

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

## 11. CONFLICT OF INTEREST

### 11.1 INTEREST IN SIMILAR BUSINESS

As at the LPD, save as disclosed below, none of our Directors and Substantial Shareholders have any other interest, direct or indirect in:

- (i) businesses or corporations which are customers or suppliers of our Group;
- (ii) businesses or corporations which carry on a similar trade as that of our Group;
- (iii) providing or receiving financial assistance to and from our Group; or
- (iv) leasing property to or from our Group.

#### 11.1.1 Interest in corporations which are customers or suppliers of our Group

Save as disclosed below, none of our Directors or Substantial Shareholders have any interest in other corporations which are customers or suppliers of our Group during the Financial Years Under Review and up to the LPD:

Customer / Supplier	Nature of transaction	Nature of interest
Nomms <sup>(1)</sup>	(i) Sale of premix ingredients such as seasoned flour premixes and gravy premix by our Group to Nomms; and	(i) Lai Kok Siong, who is our Promoter, Substantial Shareholder and Managing Director, is a director and 90.0% shareholder of Nomms;
	(ii) Supply of food processing equipment and related spare parts, and provision of maintenance services by our Group to Nomms	(ii) Gabriel Lai Yung-Yao, who is our Executive Director / Head of Sales & Marketing, is a director of Nomms; and
		(iii) Lew Tai @ Kong Lew Tai, who is our Substantial Shareholder, is also a director and 10.0% shareholder of Nomms.
Ken Kee <sup>(2)</sup>	(i) Sale of premix ingredients such as seasoned flour and seasoning premixes by our Group to Ken Kee; and	(i) Lai Kok Siong, who is our Promoter, Substantial Shareholder and Managing Director, is also a director and 82.2% shareholder of Ken Kee; and
	(ii) Purchase of nuts and beans by our Group from Ken Kee	(ii) Gabriel Lai Yung-Yao, who is our Executive Director / Head of Sales & Marketing, is also a director and 10.0% shareholder of Ken Kee.

**11. CONFLICT OF INTEREST (CONT'D)**

<b>Customer / Supplier</b>	<b>Nature of transaction</b>	<b>Nature of interest</b>
Ken Kee Manufacturing <sup>(2)</sup>	<p>(i) Sale of premix and food ingredients such as seasoned flour and seasoning premixes by our Group to Ken Kee Manufacturing; and</p> <p>(ii) Supply of food processing equipment and related spare parts, and provision of maintenance services by our Group to Ken Kee Manufacturing</p>	<p>(i) Lai Kok Siong, who is our Promoter, Substantial Shareholder and Managing Director, is also a director and 90.0% shareholder of Ken Kee Manufacturing; and</p> <p>(ii) Gabriel Lai Yung-Yao, who is our Executive Director / Head of Sales &amp; Marketing, is also a director and 10.0% shareholder of Ken Kee Manufacturing.</p>
Mokara Kitchen <sup>(3)</sup>	Sale of premix and food ingredients, such as seasoned flour and seasoning premixes, by our Group to Mokara Kitchen	<p>(i) Lai Kok Siong, who is our Promoter, Substantial Shareholder and Managing Director, is also a director and 40.0% shareholder of Mokara Kitchen;</p> <p>(ii) Gabriel Lai Yung-Yao, who is our Executive Director / Head of Sales &amp; Marketing, is also a director and 10.0% shareholder of Mokara Kitchen; and</p> <p>(iii) Lew Tai @ Kong Lew Tai, who is our Substantial Shareholder, is also a 30.0% shareholder of Mokara Kitchen.</p>
Core Perpetual <sup>(4)</sup>	Provision of logistics support services such as rental of trucks and storage of products by Core Perpetual to our Group for our operations	Core Perpetual is our Promoter and Substantial Shareholder.

**Notes:**

- (1) Nomms is principally engaged in the operation of restaurants, focusing on pressure-fried chicken and complementary menu offerings.

Nomms derives its revenue mainly from the sale of prepared meals, reflecting its positioning in the food services sector on the business-to-consumer market. Its operations do not involve industrial-scale food manufacturing, ingredient production, supply of food processing equipment, or business-to-business ingredient supply. Accordingly, its business model, customer segment and product offerings are distinct from those of our Group, and do not give rise to any competition or conflict of interest with our Group.

- (2) Ken Kee and Ken Kee Manufacturing are principally involved in the manufacturing and trading of ready-to-eat snack food products, such as nuts and beans, marketed under consumer-facing brands including 'Ken Kee' and 'Kow Kow'.

Their business activities are primarily focused on the business-to-consumer market, with products distributed through retail channels such as hypermarkets, supermarkets, convenience stores and distributors. As such, its operations are not considered to be in direct competition with our Group and do not give rise to any conflict of interest with our Group.

**11. CONFLICT OF INTEREST (CONT'D)**

- (3) Mokara Kitchen is principally engaged in the operation of a central kitchen business which undertakes the preparation, processing and production of F&B products, including semi-finished and ready-to-eat items to Nomms. Its business model is distinct from those of our Group, and does not give rise to any competition or conflict of interest with our Group.
- (4) Core Perpetual is an investment holding company (investing in shares and properties) and provides logistics support services to our Group such as rental of trucks and storage of products. As at the LPD, Core Perpetual provides logistics support services exclusively to our Group through its fleet of 13 trucks with a total carrying capacity of 142 tonnes.

Our Board is of the view that any potential conflict of interest that may arise as a result of the interests of our Directors or Substantial Shareholders in corporations which are customers and suppliers of our Group has been mitigated as:

- (i) our Group does not compete with Nomms, Ken Kee, Ken Kee Manufacturing or Mokara Kitchen as each of them operates in distinct segments of the value chain and targets fundamentally different markets and customer bases. Our Group operates primarily in the business-to-business segment, distributing to resellers and retailers, as well as food manufacturers and HORECA food service operators who use our Group's products. Our Group's products are principally intermediate inputs used in downstream food manufacturing or food preparation processes, rather than for direct consumption by end customers.

Nomms, Ken Kee, Ken Kee Manufacturing and Mokara Kitchen, on the other hand, operate predominantly in the business-to-consumer segment, where they are engaged in the sale of prepared meals, semi-finished and ready-to-eat items, and ready-to-eat snack products. Their products are finished goods designed for immediate consumption, with no overlap in raw ingredients that are supplied by our Group;

- (ii) our Group is not dependent on Nomms, Ken Kee, Ken Kee Manufacturing and Mokara Kitchen. Transactions with these companies, whether as customers or suppliers, collectively accounted for less than 5.0% of our Group's total purchases or total revenue during the Financial Years Under Review, and are therefore not material to our Group's financial performance or operational sustainability.

Furthermore, the products purchased from or sold to Nomms, Ken Kee, Ken Kee Manufacturing and Mokara Kitchen as well as the logistics support services provided by Core Perpetual are not unique or irreplaceable, and can be readily sourced from, or supplied to, alternative third-party suppliers or customers on comparable terms. Our Group is therefore not exposed to supply chain dependency or revenue reliance arising from our dealings with these companies;

- (iii) transactions with Nomms, Ken Kee, Ken Kee Manufacturing, Mokara Kitchen and Core Perpetual were conducted on an arm's length basis and based on normal commercial terms which are neither more favourable nor unfavourable to our Group and are comparable to those generally available to third parties; and
- (iv) our Group has established internal controls and corporate governance measures to manage and mitigate any potential conflict of interest. The Board and Audit and Risk Management Committee exercise oversight over related party transactions to ensure compliance with applicable laws and corporate governance requirements. Interested directors are required to disclose their interests and abstain from deliberation and voting on matters relating to such transactions, with full disclosure of related party transactions in our Group's financial statements and relevant corporate disclosures. These safeguards are intended to ensure that all future related party transactions, if any, are conducted on an arm's length basis and in the best interests of our Group and our shareholders.

## 11. CONFLICT OF INTEREST (CONT'D)

### 11.1.2 Rental of Bestari HQ from Core Perpetual

As at the LPD, our Group operates from Bestari HQ which is rented from Core Perpetual, the registered owner of Bestari HQ, at an aggregate monthly rental of RM265,000.

The rental arrangement allows our Group to adopt an asset-light strategy by avoiding significant capital expenditure on the acquisition of industrial property. This preserves cash resources and strengthens financial flexibility, enabling our Group to prioritise the allocation of funds towards key growth drivers, including capacity expansion, market expansion, product development and working capital requirements, thereby supporting the acceleration of our business growth.

In relation to the rental of Bestari HQ by our Group from Core Perpetual that will subsist after our Listing, our Board is of the view that any potential conflict of interest situation that may arise as a result of the above rental arrangement has been mitigated and eliminated as follows:

- (i) the rental of Bestari HQ from Core Perpetual is carried out on an arm's length basis and on normal commercial terms, which are not unfavourable to our Group and are comparable to those generally available to third parties. The aggregate monthly rental of RM265,000 is assessed against an independent market valuation, which confirmed that the rental is in line with prevailing market rates for comparable properties; and
- (ii) contractual safeguards under the tenancy agreements are in place to reduce the risk of sudden or arbitrary termination of the rental of Bestari HQ. Please refer to Section 7.19(i) of this Prospectus for further information on our Group's reliance on the tenancy agreements in respect of Bestari HQ.

## 11.2 DECLARATIONS BY ADVISERS ON CONFLICT OF INTEREST

### 11.2.1 Declaration by RHB Investment Bank

RHB Investment Bank and its related and associated companies (collectively, the "**RHB Banking Group**") engage in private banking, commercial banking and investment banking transactions which include, among others, brokerage, advisory on mergers and acquisitions, securities trading, assets and fund management as well as credit transaction services. 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, our shareholders, our 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 subscribe for our IPO Shares to be offered under the Institutional Offering.

As at the LPD, the RHB Banking Group has not extended any credit facility to our Group.

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**11. CONFLICT OF INTEREST (CONT'D)**

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Notwithstanding the above, RHB Investment Bank is of the view that the abovementioned does not give rise to a conflict of interest situation in its capacity as the Principal Adviser, Sole Underwriter and Sole Placement Agent for our IPO due to the following reasons:

- (i) RHB Investment Bank is a licensed investment bank and its appointment as the Principal Adviser, Sole Underwriter and Sole Placement Agent 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 the aforesaid appointment;
- (ii) the Corporate Finance division of RHB Investment Bank is required under its investment banking licence to comply with strict policies and guidelines issued by the SC, Bursa Securities and Bank Negara Malaysia governing its advisory operations. These guidelines require, among 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. In any event, the team overseeing our IPO in RHB Investment Bank is independent from the team handling the credit facility. Further, there is no involvement by the Corporate Finance division of RHB Investment Bank in respect of any credit application process undertaken by other departments within 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 the RHB Banking Group's own internal controls and checks which include segregation of reporting structures, in that its activities are monitored and reviewed by independent parties and committees.

RHB Investment Bank confirms that there is no conflict of interest in its capacity as the Principal Adviser, Sole Underwriter and Sole Placement Agent for our IPO.

**11.2.2 Declaration by Ong Eu Jin Partnership**

Ong Eu Jin Partnership confirms that there is no conflict of interest in its capacity as the Solicitors as to the laws of Malaysia in respect of our IPO.

**11.2.3 Declaration by Avant Law LLC**

Avant Law LLC confirms that there is no conflict of interest in its capacity as the Solicitors as to the laws of Singapore in respect of our IPO.

**11.2.4 Declaration by Baker Tilly Monteiro Heng PLT**

Baker Tilly Monteiro Heng PLT confirms that there is no situation of conflict of interest in its capacity as the Auditors and Reporting Accountants in respect of our IPO.

**11.2.5 Declaration by Vital Factor Consulting Sdn Bhd**

Vital Factor Consulting Sdn Bhd confirms that there is no situation of conflict of interest in its capacity as the Independent Business and Market Research Consultants in respect of our IPO.

## 12. FINANCIAL INFORMATION

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

#### 12.1.1 Historical financial performance

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

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

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

#### Notes:

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

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

(2) Computed as follows:

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

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

**12.1.2 Historical combined statements of financial position**

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

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

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

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

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

**Note:**

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

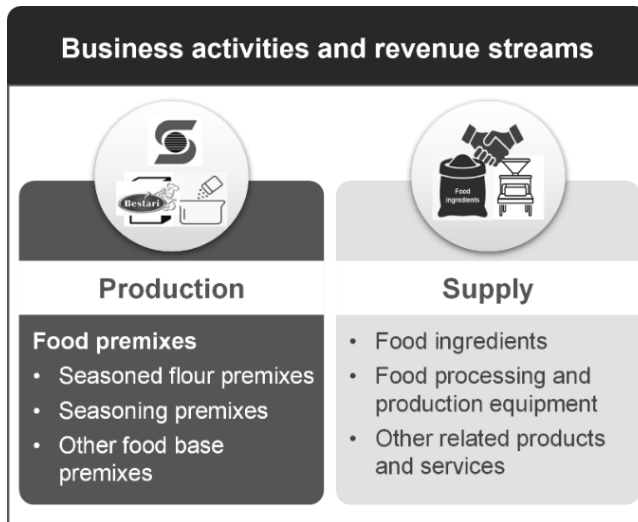
**12. FINANCIAL INFORMATION (CONT'D)**

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

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

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

**12.3.1 Overview of our operations**



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

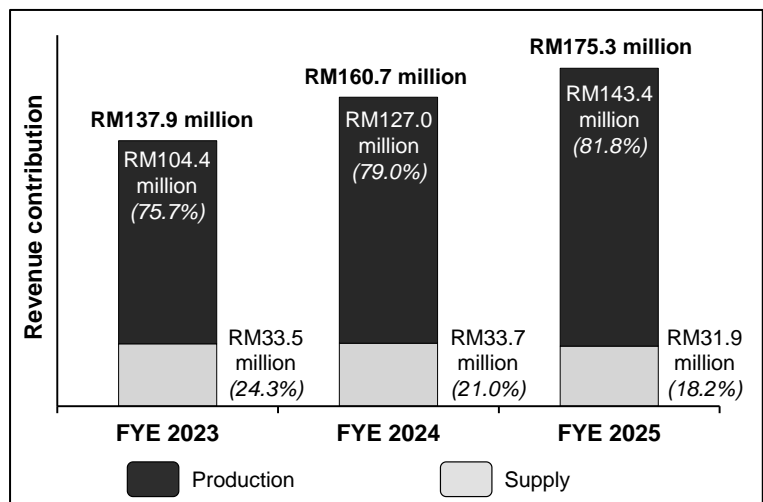
Please refer to Section 7 of this Prospectus for further details of our business overview.

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

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

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

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



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

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

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

**Notes:**

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

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

**(ii) Revenue by geographical markets**

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

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

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

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

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

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

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

**Note:**

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

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

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

**FYE 2024 compared to FYE 2023**

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

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

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

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

**Supply segment**

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

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

**FYE 2025 compared to FYE 2024**

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

**Production segment**

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

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

**Supply segment**

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

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

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

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

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

**Note:**

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

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

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

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

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

**Material and product costs**

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

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

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

**Direct labour costs**

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

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

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

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

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

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

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

**Other costs**

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

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

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

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

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

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

**Notes:**

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

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

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

**Production segment**

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

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

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

**Supply segment**

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

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

**FYE 2025 compared to FYE 2024**

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

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

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

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

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

**Supply segment**

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

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

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

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

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

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

**12.3.5 Finance and other income**

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

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

**FYE 2024 compared to FYE 2023**

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

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

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

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

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

**12.3.6 Selling and distribution expenses**

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

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

**Notes:**

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

**FYE 2024 compared to FYE 2023**

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

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

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

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

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

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

**12.3.7 Administrative expenses**

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

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

**Notes:**

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

**FYE 2024 compared to FYE 2023**

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

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

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

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

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

**12.3.8 Finance costs**

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

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

**FYE 2024 compared to FYE 2023**

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

**FYE 2025 compared to FYE 2024**

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

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

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

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

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

**FYE 2024 compared to FYE 2023**

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

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

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

**FYE 2025 compared to FYE 2024**

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

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

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

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

## 12. FINANCIAL INFORMATION (CONT'D)

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

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

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

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

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

#### (ii) Fluctuations in logistics costs

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

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

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

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

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

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

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

## 12. FINANCIAL INFORMATION (CONT'D)

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

### (iv) Impact of interest rates

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

### (v) Impact of inflation

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

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

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

#### 12.3.11 Significant changes on our financial position

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

## 12.4 LIQUIDITY AND CAPITAL RESOURCES

### 12.4.1 Working capital

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

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

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

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

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

**12.4.2 Cash flows**

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

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

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

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

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

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

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

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

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

**FYE 2025**

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

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

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

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

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

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

**FYE 2025**

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

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

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

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

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

**FYE 2024**

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

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

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

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

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

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

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

**12.4.3 Borrowings**

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

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

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

**Notes:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**12.4.6 Contingent liabilities**

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

**12.4.7 Key financial ratios**

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

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

**Notes:**

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

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

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

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

**Note:**

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

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

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

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

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

**Note:**

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

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

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

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

**(ii) Trade payables turnover period**

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

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

**Note:**

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

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

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

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

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

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

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

**(iii) Inventories turnover period**

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

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

**Note:**

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

Our inventories mainly comprise the following:

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

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

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

**(iv) Current ratio**

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

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

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

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

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

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

**(v) Gearing ratio**

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

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

**Note:**

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

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

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

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

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**12.5 ORDER BOOK**

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

**12.6 TREND INFORMATION**

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

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

**12.7 DIVIDEND POLICY**

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

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

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

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

For information purposes, the dividends declared and paid by our Group for the Financial Years Under Review are as follows:

	<b>FYE 2023</b> <b>(RM'000)</b>	<b>FYE 2024</b> <b>(RM'000)</b>	<b>FYE 2025</b> <b>(RM'000)</b>
Dividends declared	300	53,000	21,500
Dividends paid	300	<sup>(2)</sup> 53,000	<sup>(3)</sup> 14,500
PAT	9,183	16,544	31,032
Dividend payout ratio <sup>(1)</sup>	3.3%	320.4%	69.3%

**Notes:**

- (1) Computed as dividends declared divided by PAT.
- (2) RM9.0 million was funded via bank borrowings as part of our Group's capital management strategy to optimise our capital structure, taking advantage of available debt capacity and low cost of borrowings. This approach also enables our Group to maintain sufficient cash reserves for working capital and operational needs, while preserving financial flexibility for future investments and growth initiatives, without materially increasing our financial risk. As at the LPD, the outstanding balance of the bank borrowings used to partially fund the payment of dividends during the FYE 2024 amounted to RM6.5 million.
- (3) The remaining RM7.0 million was subsequently paid in March 2026.

Subsequent to the FYE 2025 and up to the LPD, no dividends were declared by our Group, save for an interim dividend of RM1.5 million for the FYE 2026, which was paid in March 2026.

The dividends declared and paid for the Financial Years Under Review and up to the LPD were funded via internally generated funds, which were in excess of our Group's funding requirements for our business operations.

Further, our Group intends to declare an interim dividend amounting up to RM23.5 million for the FYE 2026. The said dividend is expected to be paid in September 2026 and will be funded via our internally generated funds. It is not expected to have any material impact on our Group's funding requirements or the implementation of our strategies and plans moving forward.

Investors should note that this dividend policy merely describes our present intention and shall not constitute legally binding statements in respect of our future dividends which are subject to modification (including non-declaration) thereof at our Board's discretion. We cannot assure you that we will be able to pay dividends or that our Board will declare dividends in the future. There can also be no assurance that further dividends declared by our Board, if any, will not differ materially from historical payouts. Please refer to Section 9.3.5 of this Prospectus for the risk factor which may affect our ability to pay dividends.

No inference should be made from any of the foregoing statements as to our actual future profitability or our ability to pay dividends in the future.

**12. FINANCIAL INFORMATION (CONT'D)****12.8 REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION**

9 June 2026

The Board of Directors  
**Bestari Food Berhad**  
 Lot 29119, Jalan Rajawali  
 Batu 9, Kampung Kebun Baru  
 42500 Telok Panglima Garang  
 Kuala Langat  
 Selangor

Baker Tilly Monteiro Heng PLT  
 201906000600(LLP0019411-LCA)  
 Chartered Accountants (AF 0117)  
 Baker Tilly Tower  
 Level 10, Tower 1, Avenue 5  
 Bangsar South City  
 59200 Kuala Lumpur, Malaysia

**T** : +603 2297 1000  
**F** : +603 2282 9980

info@bakertilly.my  
[www.bakertilly.my](http://www.bakertilly.my)

Dear Sir/Madam,

**BESTARI FOOD BERHAD (“BESTARI FOOD” or the “Company”)****REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025**

We have completed our assurance engagement to report on the compilation of the pro forma combined statements of financial position of Bestari Food and its combining entities, namely Synerchem Food Processing Industry Sdn Bhd, Synerchem Ingredients Sdn Bhd, Synerchem Engineering Sdn Bhd, Bestari Sales & Marketing Sdn Bhd, Synerchem Services Sdn Bhd, Bestari (S) Pte Ltd and Synerchem (S) Pte Ltd, (collectively referred to as the “Group”) for which the Board of Directors of Bestari Food is solely responsible. The pro forma combined statements of financial position consists of the pro forma combined statements of financial position as at 31 December 2025 together with the accompanying notes thereon, as set out in the accompanying statements, for which we have stamped for the purpose of identification. The applicable criteria on the basis of which the Board of Directors of Bestari Food has compiled the pro forma combined statements of financial position are as described in Note 2 to the pro forma combined statements of financial position and in accordance with the requirements of the *Prospectus Guidelines* issued by the Securities Commission Malaysia (“Prospectus Guidelines”) and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants (“Applicable Criteria”).

The pro forma combined statements of financial position of the Group has been compiled by the Board of Directors of Bestari Food, for illustrative purposes only, for inclusion in the prospectus of Bestari Food (“Prospectus”) in connection with the listing of and quotation for the entire enlarged issued share capital of Bestari Food on the Main Market of Bursa Malaysia Securities Berhad Listing, after making certain assumptions and such adjustments to show the effects on the pro forma combined financial position of the Group as at 31 December 2025 adjusted for the subsequent events, acquisitions, public issue, offer for sale and utilisation of proceeds as described in Notes 1.2, 1.3.1, 1.3.2, 1.3.3 and 3.2.2 respectively.

**12. FINANCIAL INFORMATION (CONT'D)****BESTARI FOOD BERHAD**

Reporting Accountants' Report on the Compilation of the  
Pro Forma Combined Statements of Financial Position  
as at 31 December 2025

As part of this process, information about the Group's pro forma combined financial position has been extracted by the Board of Directors of Bestari Food from the audited combined financial statements of the Group for the financial year ended ("FYE") 31 December 2025, on which a reporting accountants' report dated 9 June 2026 has been issued.

The audited combined financial statements of the Group for the FYE 31 December 2025 were reported by us to the Board of Directors of Bestari Food without any modifications.

**Directors' Responsibility for the Pro Forma Combined Statements of Financial Position**

The Board of Directors of Bestari Food is responsible for compiling the pro forma combined statements of financial position based on the Applicable Criteria.

**Our Independence and Quality Control**

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our firm applies *International Standard on Quality Management 1 (ISQM 1), Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountants' Responsibilities**

Our responsibility is to express an opinion, on whether the pro forma combined statements of financial position has been compiled, in all material respects, by the Board of Directors of Bestari Food based on the Applicable Criteria.

We conducted our engagement in accordance with *International Standard on Assurance Engagements (ISAE) 3420: Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Board of Directors of Bestari Food has compiled, in all material respects, the pro forma combined statements of financial position based on the Applicable Criteria.

**12. FINANCIAL INFORMATION (CONT'D)****BESTARI FOOD BERHAD**

Reporting Accountants' Report on the Compilation of the  
Pro Forma Combined Statements of Financial Position  
as at 31 December 2025

**Reporting Accountants' Responsibilities (Continued)**

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma combined statements of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma combined statements of financial position.

The purpose of the pro forma combined statements of financial position included in the Prospectus is solely to illustrate the impact of significant events or transactions on the unadjusted financial information of the Group as if the events had occurred or the transaction had been undertaken at an earlier date selected for illustrative purposes only. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

A reasonable assurance engagement to report on whether the pro forma combined statements of financial position has been compiled, in all material respects, based on the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Board of Directors of Bestari Food in the compilation of the pro forma combined statements of financial position of the Group provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- (a) the related pro forma adjustments give appropriate effect to those criteria; and
- (b) the pro forma combined statements of financial position reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the pro forma combined statements of financial position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma combined statements of financial position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Our opinion**

In our opinion the pro forma combined statements of financial position of the Group have been compiled, in all material respects, on the basis as described in the notes thereon on the pro forma combined statements of financial position and in accordance with the requirements of the Applicable Criteria.

**12. FINANCIAL INFORMATION (CONT'D)**

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**BESTARI FOOD BERHAD**

Reporting Accountants' Report on the Compilation of the  
Pro Forma Combined Statements of Financial Position  
as at 31 December 2025

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**Other Matters**

This report has been prepared for inclusion in the Prospectus in connection with the Listing. As such, this report should not be used, circulated, quoted or otherwise referred to in any document or used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this report contrary to the aforesaid purpose.

Yours faithfully,

A handwritten signature in black ink that reads "Baker Tilly" in a cursive, stylized font.

Baker Tilly Monteiro Heng PLT  
201906000600 (LLP0019411-LCA) & AF 0117  
Chartered Accountants

A handwritten signature in black ink, appearing to be "Paul Tan Hong" in a stylized, cursive font.

Paul Tan Hong  
No. 03459/11/2027 J  
Chartered Accountant

**12. FINANCIAL INFORMATION (CONT'D)****BESTARI FOOD BERHAD****PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION****1. INTRODUCTION**

The pro forma combined statements of financial position of Bestari Food Berhad (“Bestari Food” or the “Company”) and its combining entities, namely Synerchem Food Processing Industry Sdn Bhd (“Synerchem Food Processing”), Synerchem Ingredients Sdn Bhd (“Synerchem Ingredients”), Synerchem Engineering Sdn Bhd (“Synerchem Engineering”), Bestari Sales & Marketing Sdn Bhd (“Bestari Sales”), Synerchem Services Sdn Bhd (“Synerchem Services”), Synerchem (S) Pte. Ltd. (“Synerchem (S)”) and Bestari (S) Pte. Ltd. (“Bestari (S)”) (hereinafter collectively referred to as the “Group”) has been compiled by the Board of Directors of Bestari Food (“Board”), for illustrative purposes only, for inclusion in the prospectus of Bestari Food in connection with the listing of and quotation for the entire enlarged issued share capital of Bestari Food (“Bestari Food Share(s)” or “Share(s)”) on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing”).

1.1 In conjunction with the admission of Bestari Food to the Official List of the Main Market of Bursa Securities and the Listing, Bestari Food had undertaken the following transactions:

**1.2 Subsequent Events****1.2.1 Declaration of dividends**

On 2 March 2026, Bestari Sales declared a single-tier interim dividend of RM1,500,000 and paid on 5 March 2026.

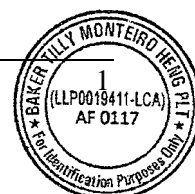
On 2 March 2026, Synerchem Food Processing declared a single-tier interim dividend of RM5,500,000 and paid on 5 March 2026.

On 2 March 2026, Synerchem Ingredients declared a single-tier interim dividend of RM1,500,000 and paid on 18 March 2026.

**1.3 Listing Scheme****1.3.1 Acquisitions**

On 10 April 2026, Bestari Food entered into conditional share sale agreements for the following:

- (i) acquisition of the entire issued share capital of Synerchem Food Processing of RM300,000 comprising 300,000 ordinary shares from the shareholders of Synerchem Food Processing for a total purchase consideration of RM22,635,860 to be satisfied entirely via the allotment and issuance of 226,358,600 new Bestari Food Shares at an issue price of RM0.10 per Bestari Food Share (“Acquisition of Synerchem Food Processing”);



**12. FINANCIAL INFORMATION (CONT'D)****BESTARI FOOD BERHAD****PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

1. (Continued)

1.3 (Continued)

**1.3.1 Acquisitions (continued)**

- (ii) acquisition of the entire issued share capital of Synerchem Ingredients of RM1,250,000 comprising 1,250,000 ordinary shares from the shareholders of Synerchem Ingredients for a total purchase consideration of RM8,273,770 to be satisfied entirely via the allotment and issuance of 82,737,700 new Bestari Food Shares at an issue price of RM0.10 per Bestari Food Share (“Acquisition of Synerchem Ingredients”);
- (iii) acquisition of the entire issued share capital of Synerchem Engineering of RM150,000 comprising 150,000 ordinary shares from the shareholders of Synerchem Engineering for a total purchase consideration of RM3,628,080 to be satisfied entirely via the allotment and issuance of 36,280,800 new Bestari Food Shares at an issue price of RM0.10 per Bestari Food Share (“Acquisition of Synerchem Engineering”);
- (iv) acquisition of the entire issued share capital of Bestari Sales of RM250,000 comprising 250,000 ordinary shares from the shareholders of Bestari Sales for a total purchase consideration of RM2,755,220 to be satisfied entirely via the allotment and issuance of 27,552,200 new Bestari Food Shares at an issue price of RM0.10 per Bestari Food Share (“Acquisition of Bestari Sales”);
- (v) acquisition of the entire issued share capital of Synerchem Services of RM1,000 comprising 1,000 ordinary shares from the shareholder of Synerchem Services for a total purchase consideration of RM10 to be satisfied entirely via the allotment and issuance of 100 new Bestari Food Shares at an issue price of RM0.10 per Bestari Food Share (“Acquisition of Synerchem Services”);
- (vi) acquisition of the entire issued share capital of Synerchem (S) of RM32,740 (SGD10,000) comprising 10,000 ordinary shares from the shareholder of Synerchem (S) for a total purchase consideration of RM10 to be satisfied entirely via the allotment and issuance of 100 new Bestari Food Shares at an issue price of RM0.10 per Bestari Food Share (“Acquisition of Synerchem (S)”); and
- (vii) acquisition of the entire issued share capital of Bestari (S) of RM7 (SGD2) comprising 2 ordinary shares from the shareholders of Bestari (S) for a total purchase consideration of RM10 to be satisfied entirely via the allotment and issuance of 100 new Bestari Food Shares at an issue price of RM0.10 per Bestari Food Share (“Acquisition of Bestari (S)”).

(Collectively hereinafter referred to as “Acquisitions”)



**12. FINANCIAL INFORMATION (CONT'D)****BESTARI FOOD BERHAD****PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

1. (Continued)

1.3 (Continued)

**1.3.1 Acquisitions (continued)**

For information purposes, the total purchase consideration of RM37,292,960 for the Acquisitions was arrived at on a “willing-buyer willing-seller” basis after taking into consideration the latest audited net assets (“NA”) or net liabilities (“NL”) of the respective companies as at 31 December 2025, and adjusted for dividends paid subsequent to 31 December 2025 as described in Note 1.2.1 to the pro forma combined statements of financial position.

**1.3.2 Public Issue**

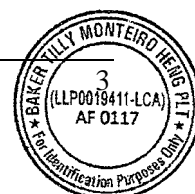
The Public Issue of 77,070,300 new Shares, representing 17.1% of the enlarged issued share capital, at a retail price of RM[•] per Share will be allocated in the following manner:

- (i) 22,500,000 Issue Shares under the Public Issue (“Issue Share(s)”), representing 5.0% of enlarged share capital, will be offered to the Malaysian Public by way of balloting;
- (ii) 10,820,300 Issue Shares, representing approximately 2.4% of enlarged share capital, will be made available for application by the eligible Directors, employees of the Group and persons who have contributed to the success of the Group; and
- (iii) 43,750,000 Issue Shares, representing approximately 9.7% of enlarged share capital, will be made available for private placement to institutional and selected investors.

(Collectively hereinafter referred to as “Public Issue”).

**1.3.3 Offer for Sale**

Offer for sale of up to 56,250,000 existing Shares at a retail price of RM[•] per Share representing 12.5% of the enlarged share capital, will be made available by way of private placement to Bumiputera investors approved by the Ministry of Investment, Trade and Industry of Malaysia.



**12. FINANCIAL INFORMATION (CONT'D)****BESTARI FOOD BERHAD****PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

1. (Continued)

1.3 (Continued)

**1.3.4 Listing**

Upon completion of the Listing, the Company shall be admitted to the official list and the listing of and quotation for the entire enlarged issued share capital of RM[•] comprising 450,000,000 Shares shall be listed on the Main Market of Bursa Securities.

**2. BASIS OF PREPARATION OF THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION**

- 2.1 The pro forma combined statements of financial position have been prepared to illustrate the pro forma combined financial position of the Group as at 31 December 2025, adjusted for the subsequent events, Acquisitions, Public Issue, Offer for Sale and utilisation of proceeds as described in Notes 1.2, 1.3.1, 1.3.2, 1.3.3 and 3.2.2 respectively.
- 2.2 The pro forma combined statements of financial position have been prepared based on the audited combined financial statements of the Group for the financial year ended (“FYE”) 31 December 2025.
- 2.3 The audited combined financial statements of the Group for the FYE 31 December 2025 were reported by the auditors to the members without any modifications.
- 2.4 The pro forma combined statements of financial position of the Group have been prepared for illustrative purposes only and, such information may not, because of its nature, give a true picture of the actual financial position and the results of the Group and does not purport to predict the future financial position and results of the Group.
- 2.5 The pro forma combined statements of financial position of the Group have been properly prepared on the basis set out in the accompanying notes to the pro forma combined statements of financial position based on the audited combined financial statements of the Group for the FYE 31 December 2025, which have been prepared in accordance with the Malaysian Financial Reporting Standards and the International Financial Reporting Standards.



**12. FINANCIAL INFORMATION (CONT'D)****BESTARI FOOD BERHAD****3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP**

3.1 The pro forma combined statements of financial position of the Group as set out below, for which the Board of Directors of Bestari Food is solely responsible, has been prepared for illustrative purposes only, to show the effects on the audited combined statements of financial position of the Group as at 31 December 2025, had the subsequent events, Acquisitions, Public Issue and utilisation of proceeds as described in Notes 1.2, 1.3.1, 1.3.2, 1.3.3 and 3.2.2 respectively been effected on that date, and should be read in conjunction with the notes accompanying thereto.

	Combined Statements of Financial Position as at 31 December 2025 <sup>(1)</sup> RM'000	Adjusted for Subsequent Events RM'000	Pro Forma I After the Acquisitions RM'000	Pro Forma II After Pro Forma I and the Public Issue RM'000	Pro Forma III After Pro Forma II and the Utilisation of Proceeds RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	24,669	24,669	24,669	24,669	24,669
<b>Total non-current assets</b>	<b>24,669</b>	<b>24,669</b>	<b>24,669</b>	<b>24,669</b>	<b>24,669</b>
<b>Current assets</b>					
Inventories	18,810	18,810	18,810	18,810	18,810
Trade and other receivables	39,752	39,752	39,752	39,752	[•]
Cash and short-term deposits	23,720	15,220	15,220	[•]	[•]
<b>Total current assets</b>	<b>82,282</b>	<b>73,782</b>	<b>73,782</b>	<b>[•]</b>	<b>[•]</b>
<b>TOTAL ASSETS</b>	<b>106,951</b>	<b>98,451</b>	<b>98,451</b>	<b>[•]</b>	<b>[•]</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Group</b>					
Share capital	-	-	37,293	[•]	[•]
Invested equity	1,984	1,984	-	-	-
Translation reserve	(75)	(75)	(75)	(75)	(75)
Reorganisation reserve	-	-	(35,309)	(35,309)	(35,309)
Retained earnings	40,778	32,278	32,278	32,278	[•]
<b>TOTAL EQUITY</b>	<b>42,687</b>	<b>34,187</b>	<b>34,187</b>	<b>[•]</b>	<b>[•]</b>

**Pro Forma Combined Statements of Financial Position**

**12. FINANCIAL INFORMATION (CONT'D)****BESTARI FOOD BERHAD****3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)**

## 3.1 (Continued)

	Combined Statements of Financial Position as at 31 December 2025 <sup>(1)</sup> RM'000	Adjusted for Subsequent Events RM'000	Pro Forma I After the Acquisitions RM'000	Pro Forma II After Pro Forma I and the Public Issue RM'000	Pro Forma III After Pro Forma II and the Utilisation of Proceeds RM'000
<b>Non-current liabilities</b>					
Loans and borrowings	20,281	20,281	20,281	20,281	20,281
Deferred tax liabilities	834	834	834	834	834
<b>Total non-current liabilities</b>	<b>21,115</b>	<b>21,115</b>	<b>21,115</b>	<b>21,115</b>	<b>21,115</b>
<b>Current liabilities</b>					
Loans and borrowings	27,174	27,174	27,174	27,174	27,174
Current tax liabilities	1,547	1,547	1,547	1,547	1,547
Trade and other payables	14,428	14,428	14,428	14,428	14,428
<b>Total current liabilities</b>	<b>43,149</b>	<b>43,149</b>	<b>43,149</b>	<b>43,149</b>	<b>43,149</b>
<b>TOTAL LIABILITIES</b>	<b>64,264</b>	<b>64,264</b>	<b>64,264</b>	<b>64,264</b>	<b>64,264</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>106,951</b>	<b>98,451</b>	<b>98,451</b>	<b>[•]</b>	<b>[•]</b>
Number of ordinary shares assumed to be in issue ('000)	1,961 <sup>(2)</sup>	1,961 <sup>(2)</sup>	372,930	450,000	450,000

NA <sup>^</sup> (RM'000)	42,687	34,187	34,187	[•]	[•]
NA per ordinary share (RM)	21.77	17.43	0.09	[•]	[•]
<sup>^</sup> attributable to owners of the Group					

(1) *Extracted from Group's audited combined financial statements for the FYE 31 December 2025.*

(2) *Representing invested equity of the Group as at FYE 31 December 2025.*

**12. FINANCIAL INFORMATION (CONT'D)****BESTARI FOOD BERHAD****3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)**

3.2 Notes to the pro forma combined statements of financial position are as follows:

3.2.1 The proceeds from the Public Issue would be used in the following manner:

Details of use of proceeds	RM'000	%	Estimated timeframe for utilisation from the date of listing
<b>Not reflected in pro forma combined statements of financial position</b>			
Capital expenditure			
- Setting up a new production facility <sup>(1)</sup>	[•]	[•]	Within 36 months
- Purchase of new machinery and equipment <sup>(1)</sup>	[•]	[•]	Within 36 months
Marketing expenses <sup>(1)</sup>	[•]	[•]	Within 6 months
<b>Reflected in pro forma combined statements of financial position</b>			
Estimated listing expenses <sup>(2)</sup>	[•]	[•]	Within 1 month
<b>Gross proceeds</b>	[•]	[•]	

Notes:

- (1) As at the latest practicable date, the Group did not enter into any contractual binding agreement or issued any purchase orders in relation to the set up a new production facility, purchase of new machinery and equipment and marketing expenses. Accordingly, the utilisation of proceeds earmarked are not reflected in the pro forma combined statements of financial position.
- (2) The estimated listing expenses totaled to RM[•] by the Company comprised of, among others, underwriting, placement and brokerage fees, professional fees as well as other miscellaneous expenses.

As at 31 December 2025, out of the RM[•] relating to the Listing earmarked for listing expenses, RM[•] has been incurred of which RM[•] was charged to the Retained Earnings Account and RM[•] has been recognised as prepayments and will be capitalised in Share Capital Account upon successful listing as these are directly attributable expenses relating to the new issuance of Shares.

Out of RM[•], being the remaining estimated listing expenses to be incurred, RM[•] will be charged to Retained Earnings Account and the remaining RM[•] will be capitalised in Share Capital Account as these are directly attributable expenses relating to the new issuance of Shares.

**12. FINANCIAL INFORMATION (CONT'D)****BESTARI FOOD BERHAD****3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)**

## 3.2 (Continued)

3.2.2 The pro forma combined statements of financial position should be read in conjunction with the notes below:

**(a) Adjusted for subsequent events**

Adjusted for subsequent events incorporates the effects of the declaration of dividends as described in Note 1.2.1 on the audited combined statements of financial position of the Group as at 31 December 2025.

	<b>Decrease</b>	
	<b>Effects on Total Assets RM'000</b>	<b>Effects on Total Equity RM'000</b>
Retained earnings	-	(8,500)
Cash and short-term deposits	(8,500)	-
	<u>(8,500)</u>	<u>(8,500)</u>

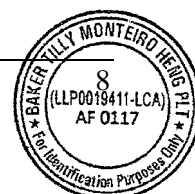
**(b) Pro Forma I**

Pro Forma I incorporates the effects of the Acquisitions as described in Note 1.3.1 on the audited combined statements of financial position of the Group as at 31 December 2025.

**Acquisition of Synerchem Food Processing**

The reorganisation reserve arising from the Acquisition of Synerchem Food Processing is as below:

	<b>RM'000</b>
Purchase consideration	22,636
Less: Share capital of Synerchem Food Processing	(300)
Reorganisation reserve	<u>22,336</u>



**12. FINANCIAL INFORMATION (CONT'D)****BESTARI FOOD BERHAD****3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)**

3.2 (Continued)

3.2.2 (Continued)

**(b) Pro Forma I (continued)****Acquisition of Synerchem Ingredients**

The reorganisation reserve arising from the Acquisition of Synerchem Ingredients is as below:

	<b>RM'000</b>
Purchase consideration	8,274
Less: Share capital of Synerchem Ingredients	<u>(1,250)</u>
Reorganisation reserve	<u>7,024</u>

**Acquisition of Synerchem Engineering**

The reorganisation reserve arising from the Acquisition of Synerchem Engineering is as below:

	<b>RM'000</b>
Purchase consideration	3,628
Less: Share capital of Synerchem Engineering	<u>(150)</u>
Reorganisation reserve	<u>3,478</u>

**Acquisition of Bestari Sales**

The reorganisation reserve arising from the Acquisition of Bestari Sales is as below:

	<b>RM'000</b>
Purchase consideration	2,755
Less: Share capital of Bestari Sales	<u>(250)</u>
Reorganisation reserve	<u>2,505</u>



**12. FINANCIAL INFORMATION (CONT'D)****BESTARI FOOD BERHAD****3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)**

3.2 (Continued)

3.2.2 (Continued)

**(b) Pro Forma I (continued)****Acquisition of Synerchem Services**

The reorganisation reserve arising from the Acquisition of Synerchem Services is as below:

	<b>RM'000</b>
Purchase consideration	*
Less: Share capital of Synerchem Services	(1)
	<hr/>
Reorganisation reserve	(1)
	<hr/>

**Acquisition of Synerchem (S)**

The reorganisation reserve arising from the Acquisition of Synerchem (S) is as below:

	<b>RM'000</b>
Purchase consideration	*
Less: Share capital of Synerchem (S)	(33)
	<hr/>
Reorganisation reserve	(33)
	<hr/>

**Acquisition of Bestari (S)**

The reorganisation reserve arising from the Acquisition of Bestari (S) is as below:

	<b>RM'000</b>
Purchase consideration	*
Less: Share capital of Bestari (S)	+
	<hr/>
Reorganisation reserve	@
	<hr/>

\* Represents RM10

+ Represents RM7

@ Represents RM3



**12. FINANCIAL INFORMATION (CONT'D)****BESTARI FOOD BERHAD****3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)**

3.2 (Continued)

3.2.2 (Continued)

**(b) Pro Forma I (continued)**

The Acquisitions will have the following impact on the audited combined statements of financial position of the Group as at 31 December 2025:

	<b>Increase/(Decrease)</b>	
	<b>Effects on Total Assets RM'000</b>	<b>Effects on Total Equity RM'000</b>
Share capital	-	37,293
Invested equity	-	(1,984)
Reorganisation reserve	-	(35,309)
	-	-

**(c) Pro Forma II**

Pro Forma II incorporates the cumulative effects of Pro Forma I and the Public Issue as described in Notes 1.3.2 and 1.3.3 respectively.

The Public Issue will have the following impact on the pro forma combined statements of financial position of the Group as at 31 December 2025:

	<b>Increase</b>	
	<b>Effects on Total Assets RM'000</b>	<b>Effects on Total Equity RM'000</b>
Cash and short-term deposits	[•]	-
Share capital	-	[•]
	[•]	[•]

Upon the completion of the Public Issue of 77,070,300 new Bestari Food Shares, its entire enlarged issued share capital would amount to RM[•] comprising 450,000,000 Bestari Food Shares.

The Offer for Sale does not have an impact on the pro forma combined statements of financial position as at 31 December 2025.



**12. FINANCIAL INFORMATION (CONT'D)****BESTARI FOOD BERHAD****3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)**

3.2 (Continued)

3.2.2 (Continued)

**(d) Pro Forma III**

Pro Forma III incorporates the cumulative effects of Pro Forma II and the utilisation of proceeds from the Public Issue of RM[•] after netting off RM[•] of estimated listing expenses.

The remaining proceeds expected from the Public Issue of RM[•] will be used in the manner as described in Note 3.2.2.

The proceeds arising from the Public Issue earmarked for the set up of a new production facility, purchase of new machinery and equipment, and marketing expenses of RM[•] will be included in the Cash and Short-Term Deposits Account as Bestari Food has not entered into any contractual binding agreements or issued any purchase orders in relation to these items.

As at 31 December 2025, out of the RM[•] relating to the Listing earmarked for listing expenses, RM[•] has been incurred of which RM[•] was charged to the Retained Earnings Account and RM[•] has been recognised as prepayments and will be capitalised in Share Capital Account upon successful listing as these are directly attributable expenses relating to the new issuance of Shares

As the remaining estimated listing expenses of RM[•], RM[•] will be charged to Retained Earnings Account and the remaining RM[•] will be capitalised in Share Capital Account as these are directly attributable expenses relating to the new issuance of Shares.

The utilisation of proceeds will have the following impact on the pro forma combined statements of financial position of the Group as at 31 December 2025:

	<b>Decrease</b>	
	<b>Effects on</b>	<b>Effects on</b>
	<b>Total Assets</b>	<b>Total Equity</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and short-term deposits	[•]	-
Trade and other receivables	[•]	-
Share capital	-	[•]
Retained earnings	-	[•]
	<u>[•]</u>	<u>[•]</u>

**12. FINANCIAL INFORMATION (CONT'D)****BESTARI FOOD BERHAD****3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)**

## 3.2 (Continued)

## 3.2.3 Movements in share capital and reserves are as follows:

	Share capital RM'000	Invested equity RM'000	Translation reserve RM'000	Reorganisation reserve RM'000	Retained earnings RM'000	Total RM'000
Combined statements of financial position of the Group as at 31 December 2025	-	1,984	(75)	-	40,778	42,687
Arising from Subsequent Events	-	-	-	-	(8,500)	(8,500)
Adjusted for the Subsequent Events Arising from the Acquisitions	-	1,984	(75)	-	32,278	34,187
Per Pro Forma I	37,293	(1,984)	-	(35,309)	-	-
Arising from the Public Issue	[•]	-	-	-	-	[•]
Per Pro Forma II	[•]	-	(75)	(35,309)	32,278	[•]
Arising from the defrayment of estimated listing expenses in relation to the Proposed Listing	[•]	-	-	-	[•]	[•]
Per Pro Forma III	[•]	-	(75)	(35,309)	[•]	[•]

## 3.2.4 Movements in cash and short-term deposits are as follows:

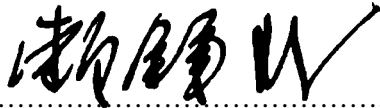
	RM'000
Combined statements of financial position of the Group as at 31 December 2025	23,720
Arising from the Subsequent Events	(8,500)
Adjusted for the Subsequent Events Arising from the Acquisitions	15,220
Per Pro Forma I	-
Arising from the Public Issue	[•]
Per Pro Forma II	[•]
Arising from the defrayment of estimated listing expenses in relation to the Proposed Listing	[•]
Per Pro Forma III	[•]

**12. FINANCIAL INFORMATION (CONT'D)**

**BESTARI FOOD BERHAD**

**APPROVAL BY BOARD OF DIRECTORS**

Approved and adopted by the Board of Directors of Bestari Food Berhad in accordance with a resolution dated **09 JUN 2026**



.....  
**Lai Kok Siong**  
Managing Director



.....  
**Gabriel Lai Yung-Yao**  
Executive Director



**13. ACCOUNTANTS' REPORT**

Baker Tilly Monteiro Heng PLT  
201906000600(LLP0019411-LCA)  
Chartered Accountants (AF 0117)  
Baker Tilly Tower  
Level 10, Tower 1, Avenue 5  
Bangsar South City  
59200 Kuala Lumpur, Malaysia

T : +603 2297 1000  
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www.bakertilly.my

9 June 2026

The Board of Directors  
**Bestari Food Berhad**  
Lot 29119, Jalan Rajawali  
Batu 9, Kampung Kebun Baru  
42500 Telok Panglima Garang  
Kuala Langat  
Selangor Darul Ehsan

Dear Sir/Madam,

---

**Reporting Accountants' opinion on the Combined Financial Statements contained in the Accountants' Report of Bestari Food Berhad ("Bestari Food" or the "Company")**

---

**Opinion**

We have audited the accompanying combined financial statements of the Company and its combining entities as detailed in Note 1 to the combined financial statements (collectively referred to as the "Group"), which comprise the combined statements of financial position as at 31 December 2023, 31 December 2024 and 31 December 2025, the combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flows for the financial years ended ("FYE(s)") 31 December 2023, 31 December 2024 and 31 December 2025 and notes to the combined financial statements, including a summary of material accounting policy information, as set out on pages 6 to 64.

In our opinion, the accompanying combined financial statements contained in the Accountants' Report of the Company gives a true and fair view of the combined financial position of the Group as at 31 December 2023, 31 December 2024 and 31 December 2025, and of its combined financial performance and its combined cash flows for the FYEs 31 December 2023, 31 December 2024 and 31 December 2025 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards as well as Chapter 10 of Division 1, Part II of the Prospectus Guidelines as issued by the Securities Commission Malaysia.

**13. ACCOUNTANTS' REPORT (CONT'D)**

**BESTARI FOOD BERHAD**  
(Incorporated in Malaysia)

**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 Combined 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 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 Combined Financial Statements**

The Board of Directors of the Company is responsible for the preparation of the combined financial statements contained in the Accountants' Report, so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards and the International Financial Reporting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of the combined financial statements of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements of the Group, the Directors are responsible for assessing the Group's ability 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 the Group or to cease operations, or have no realistic alternative but to do so.

**Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements**

Our objectives are to obtain reasonable assurance about whether the combined financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue a Reporting Accountants' 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 combined financial statements.

**13. ACCOUNTANTS' REPORT (CONT'D)**

**BESTARI FOOD BERHAD**  
(Incorporated in Malaysia)

**Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements (continued)**

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 combined financial statements of the Group, 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.
- 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 Group's internal control.
- 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Reporting Accountants' report to the related disclosures in the combined financial statements of the Group 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 Reporting Accountants' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the combined financial statements of the Group, including the disclosures, and whether the combined financial statements of the Group represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the combined financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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.

**13. ACCOUNTANTS' REPORT (CONT'D)**

**BESTARI FOOD BERHAD**  
(Incorporated in Malaysia)

**Other Matters**

This report is made solely to the Directors of the Company and has been prepared solely to comply with the Prospectus Guidelines issued by the Securities Commission Malaysia for inclusion in the Prospectus of the Company in connection with the listing of and quotation for the entire enlarged issued share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad and should not be relied upon for any other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink that reads "Baker Tilly" in a cursive style.

Baker Tilly Monteiro Heng PLT  
201906000600 (LLP0019411-LCA) & AF 0117  
Chartered Accountants

A handwritten signature in black ink that reads "Paul Tan Hong" in a cursive style.

Paul Tan Hong  
No. 03459/11/2027 J  
Chartered Accountant

Kuala Lumpur

Date: 9 June 2026


**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**STATEMENT BY DIRECTORS**

We, **LAI KOK SIONG** and **GABRIEL LAI YUNG-YAO**, being two of the directors of **BESTARI FOOD BERHAD**, do hereby state that in the opinion of the directors, the accompanying combined financial statements are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and Prospectus Guidelines issued by the Securities Commission Malaysia so as to give a true and fair view of the combined financial position of the Group as at 31 December 2023, 31 December 2024 and 31 December 2025 and of its combined financial performance and combined cash flows for the financial years ended 31 December 2023, 31 December 2024 and 31 December 2025.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors.



.....  
**LAI KOK SIONG**  
Managing Director



.....  
**GABRIEL LAI YUNG-YAO**  
Executive Director

Kuala Lumpur

Date: 9 June 2026

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**COMBINED STATEMENTS OF FINANCIAL POSITION**

	Note	----- As at 31 December -----		
		2023 RM'000	2024 RM'000	2025 RM'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	5	14,449	12,212	24,669
<b>Total non-current assets</b>		<b>14,449</b>	<b>12,212</b>	<b>24,669</b>
<b>Current assets</b>				
Inventories	6	18,387	17,381	18,810
Trade and other receivables	7	64,337	52,041	39,752
Current tax assets		2,594	1,664	-
Cash and short-term deposits	8	15,403	13,677	23,720
<b>Total current assets</b>		<b>100,721</b>	<b>84,763</b>	<b>82,282</b>
<b>TOTAL ASSETS</b>		<b>115,170</b>	<b>96,975</b>	<b>106,951</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to owners of the Group</b>				
Invested equity	9	1,884	1,884	1,984
Translation reserve	10	(1)	(37)	(75)
Retained earnings		60,802	24,346	40,778
<b>TOTAL EQUITY</b>		<b>62,685</b>	<b>26,193</b>	<b>42,687</b>
<b>Non-current liabilities</b>				
Loans and borrowings	11	5,042	11,083	20,281
Deferred tax liabilities	12	1,284	989	834
<b>Total non-current liabilities</b>		<b>6,326</b>	<b>12,072</b>	<b>21,115</b>
<b>Current liabilities</b>				
Loans and borrowings	11	30,335	45,190	27,174
Trade and other payables	13	15,824	13,520	14,428
Current tax liabilities		-	-	1,547
<b>Total current liabilities</b>		<b>46,159</b>	<b>58,710</b>	<b>43,149</b>
<b>TOTAL LIABILITIES</b>		<b>52,485</b>	<b>70,782</b>	<b>64,264</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>115,170</b>	<b>96,975</b>	<b>106,951</b>

The accompanying notes form an integral part of these combined financial statements.

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**COMBINED STATEMENTS OF COMPREHENSIVE INCOME**

	Note	----- FYE 31 December -----		
		2023 RM'000	2024 RM'000	2025 RM'000
Revenue	14	137,865	160,691	175,323
Cost of sales		(88,951)	(97,154)	(93,337)
<b>Gross profit</b>		48,914	63,537	81,986
Other income	15	630	1,116	613
Selling and distribution expenses		(11,632)	(11,985)	(14,042)
Administrative expenses		(24,616)	(29,029)	(24,528)
<b>Operating profit</b>		13,296	23,639	44,029
Finance income	16	234	157	124
Finance costs	17	(1,508)	(1,543)	(2,581)
<b>Profit before tax</b>	18	12,022	22,253	41,572
Income tax expense	19	(2,839)	(5,709)	(10,540)
<b>Profit for the financial year</b>		<b>9,183</b>	<b>16,544</b>	<b>31,032</b>
<b>Other comprehensive income, net of tax</b>				
Exchange differences on translation of foreign operations		32	(36)	(38)
<b>Total comprehensive income for the financial year</b>		<b>9,215</b>	<b>16,508</b>	<b>30,994</b>
<b>Earnings per share (RM)</b>				
- Basic and diluted	20	4.93	8.89	15.82

The accompanying notes form an integral part of these combined financial statements.

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**COMBINED STATEMENTS OF CHANGES IN EQUITY**

	Note	Attributable to owners of the Group			Total equity RM'000
		Invested equity RM'000	Translation reserve RM'000	Retained earnings RM'000	
<b>At 1 January 2023</b>		<b>1,884</b>	<b>(33)</b>	<b>51,919</b>	<b>53,770</b>
<b>Total comprehensive income for the financial year</b>					
Profit for the financial year		-	-	9,183	9,183
Other comprehensive income for the financial year		-	32	-	32
Total comprehensive income		-	32	9,183	9,215
<b>Transaction with owners</b>					
Dividends paid on shares	21	-	-	(300)	(300)
<b>At 31 December 2023</b>		<b>1,884</b>	<b>(1)</b>	<b>60,802</b>	<b>62,685</b>
<b>Total comprehensive income for the financial year</b>					
Profit for the financial year		-	-	16,544	16,544
Other comprehensive loss for the financial year		-	(36)	-	(36)
Total comprehensive income		-	(36)	16,544	16,508
<b>Transaction with owners</b>					
Dividends paid on shares	21	-	-	(53,000)	(53,000)
<b>At 31 December 2024</b>		<b>1,884</b>	<b>(37)</b>	<b>24,346</b>	<b>26,193</b>
<b>Total comprehensive income for the financial year</b>					
Profit for the financial year		-	-	31,032	31,032
Other comprehensive income for the financial year		-	(38)	-	(38)
Total comprehensive income		-	(38)	31,032	30,994
<b>Transaction with owners</b>					
Bonus issue		100	-	(100)	-
Dividends paid on shares	21	-	-	(14,500)	(14,500)
Proceeds from issuance of ordinary shares		*	-	*	*
<b>At 31 December 2025</b>		<b>1,984</b>	<b>(75)</b>	<b>40,778</b>	<b>42,687</b>

\* Represents RM100

The accompanying notes form an integral part of these combined financial statements.

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**COMBINED STATEMENTS OF CASH FLOWS**

	Note	----- FYE 31 December -----		
		2023 RM'000	2024 RM'000	2025 RM'000
<b>Cash flows from operating activities</b>				
<b>Profit before tax</b>		<b>12,022</b>	<b>22,253</b>	<b>41,572</b>
<u>Adjustments for:</u>				
Depreciation of property, plant and equipment		2,153	3,315	5,563
Bad debts written off		10	11	11
Gain on disposal of property, plant and equipment		(160)	(120)	(6)
Gain on lease termination		-	-	(2)
Finance income		(234)	(157)	(124)
Finance costs		1,508	1,543	2,581
Inventories (written back)/written down		(11)	10	-
Net unrealised foreign exchange loss		-	7	3
Property, plant and equipment written off		-	12	94
<b>Operating profit before changes in working capital</b>		<b>15,288</b>	<b>26,874</b>	<b>49,692</b>
<u>Changes in working capital:</u>				
Inventories		235	996	(1,429)
Trade and other receivables		(5,278)	(954)	2,706
Trade and other payables		1,095	(912)	988
<b>Net cash generated from operations</b>		<b>11,340</b>	<b>26,004</b>	<b>51,957</b>
Income tax paid		(3,792)	(5,074)	(9,413)
Income tax refunded		-	-	1,929
Interests paid		(286)	(155)	(109)
Interests received		234	157	124
<b>Net cash from operating activities</b>		<b>7,496</b>	<b>20,932</b>	<b>44,488</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(a)	(9,898)	(593)	(818)
Net change in pledged deposits		3,860	2,630	239
Proceeds from disposal of property, plant and equipment		160	154	6
<b>Net cash (used in)/from investing activities</b>		<b>(5,878)</b>	<b>2,191</b>	<b>(573)</b>

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)**

	Note	----- FYE 31 December -----		
		2023 RM'000	2024 RM'000	2025 RM'000
<b>Cash flows from financing activities</b>	<b>(b)</b>			
Dividends paid		(300)	(53,000)	(14,500)
Interests paid		(1,222)	(1,388)	(2,472)
Proceeds from issuance of share capital		-	-	*
Advances from/(Repayment to) related parties		(6,832)	11,566	9,488
Repayment from/(Advances to) directors		(274)	274	1
Drawdown of term loans		4,956	9,000	-
Net drawdown/(repayment) of revolving credit		-	10,000	(6,000)
Net drawdown/(repayment) of trust receipts		6,727	7,756	(12,702)
Net repayment of bankers' acceptances		(2,802)	(3,641)	(983)
Repayment of lease liabilities		(180)	(282)	(2,364)
Repayment of hire purchase payables		(344)	(223)	(194)
Repayment of term loans		(632)	(1,419)	(3,155)
<b>Net cash used in financing activities</b>		<b>(903)</b>	<b>(21,357)</b>	<b>(32,881)</b>
<b>Net increase in cash and cash equivalents</b>		<b>715</b>	<b>1,766</b>	<b>11,034</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>4,460</b>	<b>5,208</b>	<b>6,939</b>
Effects of exchange rate changes on cash and cash equivalents		33	(35)	(38)
<b>Cash and cash equivalents at the end of the financial year</b>	<b>8</b>	<b>5,208</b>	<b>6,939</b>	<b>17,935</b>

\* Represents RM100

(a) Purchase of property, plant and equipment:

	Note	----- FYE 31 December -----		
		2023 RM'000	2024 RM'000	2025 RM'000
Purchase of property, plant and equipment	<b>5</b>	10,494	1,133	18,172
Financed by way of lease arrangements		(140)	(445)	(16,904)
Financed by way of hire purchase arrangements		(456)	(95)	(450)
<b>Cash payments on purchase of property, plant and equipment</b>		<b>9,898</b>	<b>593</b>	<b>818</b>

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)**

(b) Reconciliation of changes in liabilities from financing activities:

	----- Cash flows -----			----- Non-cash -----		At 31.12.2023 RM'000
	At 1.1.2023 RM'000	Drawdown/ (Repayment) RM'000	Advance/ (Payment) RM'000	Acquisition RM'000	Foreign exchange movement RM'000	
Term loans	1,754	4,324	-	-	-	6,078
Lease liabilities	304	(180)	-	140	9	273
Hire purchase payables	429	(344)	-	456	-	541
Trust receipts	262	6,727	-	-	-	6,989
Bankers' acceptance	20,588	(2,802)	-	-	-	17,786
Amount owing by related parties	(14,071)	-	(6,832)	-	-	(20,903)
	9,266	7,725	(6,832)	596	9	10,764

	----- Cash flows -----			----- Non-cash -----		At 31.12.2024 RM'000
	At 1.1.2024 RM'000	Drawdown/ (Repayment) RM'000	Advance/ (Payment) RM'000	Acquisition RM'000	Foreign exchange movement RM'000	
Term loans	6,078	7,581	-	-	-	13,659
Lease liabilities	273	(282)	-	445	(8)	428
Hire purchase payables	541	(223)	-	95	-	413
Trust receipts	6,989	7,756	-	-	-	14,745
Revolving credit	-	10,000	-	-	-	10,000
Bankers' acceptance	17,786	(3,641)	-	-	-	14,145
Amount owing by related parties	(20,903)	-	11,566	-	-	(9,337)
	10,764	21,191	11,566	540	(8)	44,053

**13. ACCOUNTANTS' REPORT (CONT'D)**

**BESTARI FOOD BERHAD**

Accountants' Report

**COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)**

(b) Reconciliation of changes in liabilities from financing activities: (continued)

	----- Cash flows -----			----- Non-cash -----			At 31.12.2025 RM'000
	At 1.1.2025 RM'000	Drawdown/ (Repayment) RM'000	Advance/ (Payment) RM'000	Acquisition RM'000	Derecognition RM'000	Foreign exchange movement RM'000	
Term loans	13,659	(3,155)	-	-	-	-	10,504
Lease liabilities	428	(2,364)	-	16,904	(57)	(3)	14,908
Hire purchase payables	413	(194)	-	450	-	-	669
Trust receipts	14,745	(12,702)	-	-	-	-	2,043
Revolving credit	10,000	(6,000)	-	-	-	-	4,000
Bankers' acceptance	14,145	(983)	-	-	-	-	13,162
Amount owing (by)/to related parties	(9,337)	-	9,488	-	-	-	151
	44,053	(25,398)	9,488	17,354	(57)	(3)	45,437

(c) Total cash outflows for leases

During the financial year, the Group had total cash outflows for leases of RM3,990,778. (2024: RM2,657,614 and 2023: RM2,668,290).

The accompanying notes form an integral part of these combined financial statements.

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS****1. GENERAL INFORMATION**

Bestari Food Berhad ("Bestari Food" or the "Company") was incorporated under the Companies Act 2016 on 20 February 2025 as a private limited company and is domiciled in Malaysia.

The registered office of the Company is located at Level 7, Mercu 3, No. 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur. The principal place of business of the Company is located at Lot 29119, Jalan Rajawali, Batu 9, Kampung Kebun Baru, 42500 Telok Panglima Garang, Kuala Langat, Selangor Darul Ehsan.

The Company was converted to a public company limited by shares and assumed its present name on 14 April 2026.

The principal activity of the Company is investment holding. The details of the combining entities are as follows:

<b>Combining entities</b>	<b>Principal place of business/ country of incorporation</b>	<b>Principal activities</b>
Bestari (S) Pte. Ltd. ("Bestari (S)")	Singapore	Sales of food premises and other food products
Bestari Sales & Marketing Sdn. Bhd. ("Bestari Sales")	Malaysia	Sales of food premises and other food products
Synerchem Food Processing Industry Sdn. Bhd. ("Synerchem Food Processing")	Malaysia	Production of food premises
Synerchem Ingredients Sdn. Bhd. ("Synerchem Ingredients")	Malaysia	Supply of food ingredients
Synerchem Engineering Sdn. Bhd. ("Synerchem Engineering")	Malaysia	Supply of food processing and production equipment and spare parts, and provision of maintenance services
Synerchem Services Sdn. Bhd. ("Synerchem Services")	Malaysia	Provision of management services
Synerchem (S) Pte. Ltd. ("Synerchem (S)")	Singapore	Supply of food ingredients, food processing and production equipment and spare parts, and provision of maintenance services

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****1. GENERAL INFORMATION (CONTINUED)**

There have been no significant changes in the nature of these principal activities during the financial years under review.

The combined financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 9 June 2026.

**2. BASIS OF PREPARATION**

The combined financial statements for FYEs 31 December 2023, 31 December 2024 and 31 December 2025 of the Company (as defined herein) have been prepared pursuant to the listing of and quotation for the entire enlarged issued share capital of Bestari Food on the Main Market of Bursa Malaysia Securities Berhad which consists of the financial statements of the following subsidiaries for each of the financial years:

Entities Under Common Control	FYE 31 December		
	2023	2024	2025
Bestari Food	*	*	√, ^
Bestari Sales	√, ^	√, ^	√, ^
Synerchem Food Processing	√, ^	√, ^	√, ^
Synerchem Ingredients	√, ^	√, ^	√, ^
Synerchem Engineering	√, ^	√, ^	√, ^
Synerchem Services	√, ^	√, ^	√, ^
Synerchem (S)	+, ^, @	+, ^, @	+, ^, @
Bestari (S)	+, ^, @	+, ^, @	+, ^, @

\* No financial statements were available for Bestari Food as it was incorporated on 20 February 2025.

√ The combined financial statements of the Group include the financial statements of these combining entities prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") for the respective financial years.

+ The combined financial statements of the Group include the financial statements of these combining entities prepared in accordance with the International Financial Reporting Standards ("IFRSs") for the respective financial years.

^ The combined financial statements of the Group for the respective financial years have been prepared based on the audited financial statements which were audited by Baker Tilly Monteiro Heng PLT.

@ Synerchem (S) and Bestari (S) are exempted from statutory audit requirements under the Companies Act in Singapore.

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****2. BASIS OF PREPARATION (CONTINUED)**

The audited financial statements of all the combining entities within the Group for the relevant years reported above were not subject to any qualification or modification.

The combined financial statements of the Group for the relevant periods were prepared in a manner as if the entities under common control were operating as a single economic enterprise from the beginning of the earliest comparative period covered by the relevant period or the dates of incorporation of the entities within the Group, if later.

Entities under common control are entities which are ultimately controlled by the same parties and that control is not transitory ("commonly controlled entities"). Control exists when the same parties have, as a result of contractual agreements, ultimate collective power to govern the financial and operating policies of each of the commonly controlled entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The financial statements of commonly controlled entities are included in the combined financial statements from the day that control commences until the date that control ceases.

The financial information presented in the financial statements may not correspond to those in the combined financial statements of the Group had the relevant transactions to legally constitute a group been incorporated in the combined financial statements for the respective financial years. Such financial information in the combined financial statements does not purport to predict the financial position, results and the cash flows of the entities under common control for those financial years.

The combined financial statements are prepared under the historical cost convention except as otherwise indicated in the material accounting policy information.

The accounting policies applied by the Group are consistently applied for all the financial years presented in these combined financial statements.

**2.1 Statement of compliance**

The combined financial statements of the Group have been prepared in accordance with the MFRSs and the IFRSs.

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****2. BASIS OF PREPARATION (CONTINUED)****2.2 New MFRS and amendments to MFRSs that have been issued, but yet to be effective**

- (a) The Group has not adopted the following new MFRS and amendments to MFRSs that have been issued, but yet to be effective:

		<b>Effective for financial periods beginning on or after</b>
<u>New MFRS</u>		
MFRS 18	Presentation and Disclosure in Financial	1 January 2027
<u>Amendments to MFRSs</u>		
MFRS 1	First time Adoption of MFRSs	1 January 2026
MFRS 7	Financial instruments: Disclosures	1 January 2026
MFRS 9	Financial instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	1 January 2026/ Deferred
MFRS 107	Statements of Cash Flows	1 January 2026
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2027
MFRS 128	Investments in Associates and Joint Ventures	Deferred

- (b) The Group plans to adopt the above applicable new MFRS and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments to MFRSs that may be applicable to the Group are summarised below.

***MFRS 18 Presentation and Disclosure in Financial Statements***

MFRS 18 replaces MFRS 101 Presentation of Financial Statements. It retains many requirements from MFRS 101 without modification.

MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss – including “operating profit”, which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

MFRS 18 requires disclosure of explanations of the entity's company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures (“MPMs”). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or other MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM was calculated, how MPMs communicate about the entity's financial performance, and any changes made to the MPMs during the year.

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****2. BASIS OF PREPARATION (CONTINUED)****2.2 New MFRS and amendments to MFRSs that have been issued, but yet to be effective (continued)**

- (b) The Group plans to adopt the above applicable new MFRS and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments to MFRSs that may be applicable to the Group are summarised below. (continued)

***MFRS 18 Presentation and Disclosure in Financial Statements (continued)***

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the "operating" category in the profit or loss by nature or function, or both. The entity that classifies operating expenses by functions is required to disclose in the notes to its financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as "other" to be labelled and/or described as faithfully representative and precise a way as possible.

***Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures***

These narrow scope amendments to MFRS 9 clarify the requirements, including:

- clarify the classification of financial assets, particularly those with environmental, social and corporate governance and similar features. The Amendments clarify how the contractual cash flows on such financial assets should be assessed, specifically the assessment of interest focuses on what an entity is being compensated for, rather than how much compensation it receives. Nonetheless, the amount of compensation the entity receives may indicate that it is being compensated for something other than basic lending risks and costs.
- clarify the date on which a financial asset or a financial liability settled via electronic payment systems is derecognised. The amendments permit an entity to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met.

Amendments to MFRS 7 introduces new disclosure requirements relating to:

- investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****2. BASIS OF PREPARATION (CONTINUED)****2.2 New MFRS and amendments to MFRSs that have been issued, but yet to be effective (continued)**

- (b) The Group plans to adopt the above applicable new MFRS and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments to MFRSs that may be applicable to the Group are summarised below. (continued)

***Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates***

Amendments to MFRS 121 clarify how entities should translate financial statements from a non-hyperinflationary currency into a hyperinflationary presentation currency.

- When an entity's functional currency is the currency of a non-hyperinflationary economy but its presentation currency is the currency of a hyperinflationary economy, the results and financial position of the entity shall be translated into the presentation currency by translating all amounts (ie assets, liabilities, equity items, income and expenses, including comparatives) at the closing rate at the date of the most recent statement of financial position.
  - When an entity's functional currency and presentation currency are the currency of a hyperinflationary economy (or are the currencies of different hyperinflationary economies) and the entity translates the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy, the entity shall restate the comparative amounts of that foreign operation included in the entity's previously issued financial statements by applying the general price index it applies to corresponding figures for the previous reporting period in accordance with paragraph 34 of MFRS 129 Financial Reporting in Hyperinflationary Economies.
- (c) The initial application of the above applicable new MFRS and amendments to MFRSs are not expected to have any material impact on the combined financial statements.

**2.3 Functional and presentation currency**

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The combined financial statements are presented in Ringgit Malaysia ("RM"), which is also the Group's functional currency, and has been rounded to the nearest thousand, unless otherwise stated.

**2.4 Basis of measurement**

The combined financial statements of the Group have been prepared on the historical cost basis, except as otherwise disclosed.

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****3. MATERIAL ACCOUNTING POLICY INFORMATION**

Unless otherwise stated, the following material accounting policy information have been applied consistently to all the financial years presented in the combined financial statements of the Group.

**3.1 Business combination**

The Group applies the merger method of accounting to account for business combinations under common control.

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory. Under the merger method of accounting, the results of subsidiaries are presented as if the business combination had been affected throughout the current and previous financial years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the difference between costs of acquisition over the nominal value of share capital of the subsidiaries is taken to reorganisation reserve or merger deficit.

**3.2 Financial instruments****Financial assets - subsequent measurement and gains and losses**Debt instruments at amortised cost

The Company subsequently measures these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

**Financial liabilities – subsequent measurement and gains and losses**

The Group classifies the financial liabilities at amortised cost.

The Group subsequently measures other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)****3.3 Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment (other than the right-of-use assets as disclosed in Note 3.4) are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	<b>Useful lives (years)</b>
Furniture and fittings	5 - 10
Office equipment	3 - 10
Plant and machinery	5 - 10
Tools and equipment	3 - 10
Software equipment	10
Renovation	10
Motor vehicles	5

**3.4 Leases****Lessee accounting**

The Company presents right-of-use assets that do not meet the definition of investment property as property, plant and equipment in Note 5 and lease liabilities as loans and borrowings in Note 11.

Short-term leases and leases of low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)****3.4 Leases (continued)****Lessor accounting**

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term.

**3.5 Inventories**

Inventories are measured at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- raw materials: purchase costs on a first-in first-out basis
- finished goods: cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average cost basis.

**3.6 Revenue****Sale of goods**

The Group manufactures and sells consumer food products. Revenue from sale of goods are recognised at the point in time when control of the products have been transferred, being when the customer accepts the delivery of the goods.

Sales are made with a credit term of 30 to 90 days, which is consistent with market practice, therefore, no element of financing is deemed present.

**4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the combined financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the date of the combined financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

There were no significant accounting judgements, estimates and assumptions made in the process of applying the Group's accounting policies that had a significant effect on the amounts recognised in the financial statements.

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	Furniture and fittings RM'000	Office equipment RM'000	Plant and machinery RM'000	Tools and equipment RM'000	Software equipment RM'000	Renovation RM'000	Motor vehicles RM'000	(a) Right-of- use assets RM'000	Total RM'000
<b>Cost</b>									
At 1 January 2023	240	467	6,625	1,297	244	136	2,090	403	11,502
Addition	119	150	807	6,664	-	1,951	663	140	10,494
Derecognition	-	-	-	-	-	-	-	(82)	(82)
Disposals	-	-	-	-	-	-	(475)	-	(475)
Exchange differences	-	*	-	-	-	-	-	11	11
At 31 December 2023	359	617	7,432	7,961	244	2,087	2,278	472	21,450
<b>Accumulated depreciation</b>									
At 1 January 2023	131	186	3,071	490	8	1	1,417	98	5,402
Depreciation charge for the financial year	30	84	1,076	346	24	94	316	183	2,153
Derecognition	-	-	-	-	-	-	-	(82)	(82)
Disposals	-	-	-	-	-	-	(475)	-	(475)
Exchange differences	-	*	-	-	-	-	-	3	3
At 31 December 2023	161	270	4,147	836	32	95	1,258	202	7,001
<b>Carrying amount</b>									
At 1 January 2023	109	281	3,554	807	236	135	673	305	6,100
At 31 December 2023	198	347	3,285	7,125	212	1,992	1,020	270	14,449

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	Furniture and fittings RM'000	Office equipment RM'000	Plant and machinery RM'000	Tools and equipment RM'000	Software equipment RM'000	Renovation RM'000	Motor vehicles RM'000	(a) Right-of- use assets RM'000	Total RM'000
<b>Cost</b>									
At 1 January 2024	359	617	7,432	7,961	244	2,087	2,278	472	21,450
Addition	21	8	449	101	-	-	109	445	1,133
Derecognition	-	-	-	-	-	-	-	(329)	(329)
Disposals	-	-	-	-	-	-	(450)	-	(450)
Written off	(25)	-	(191)	(13)	-	-	-	-	(229)
Exchange differences	-	*	-	-	-	-	-	(11)	(11)
At 31 December 2024	355	625	7,690	8,049	244	2,087	1,937	577	21,564
<b>Accumulated depreciation</b>									
At 1 January 2024	161	270	4,147	836	32	95	1,258	202	7,001
Depreciation charge for the financial year	31	92	1,128	1,219	25	209	330	281	3,315
Derecognition	-	-	-	-	-	-	-	(329)	(329)
Disposals	-	-	-	-	-	-	(416)	-	(416)
Written off	(17)	-	(191)	(9)	-	-	-	-	(217)
Exchange differences	-	*	-	-	-	-	-	(2)	(2)
At 31 December 2024	175	362	5,084	2,046	57	304	1,172	152	9,352
<b>Carrying amount</b>									
At 1 January 2024	198	347	3,285	7,125	212	1,992	1,020	270	14,449
At 31 December 2024	180	263	2,606	6,003	187	1,783	765	425	12,212

**13. ACCOUNTANTS' REPORT (CONT'D)**

**BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	Furniture and fittings RM'000	Office equipment RM'000	Plant and machinery RM'000	Tools and equipment RM'000	Software equipment RM'000	Renovation RM'000	Motor vehicles RM'000	(a) Right-of- use assets RM'000	Total RM'000
<b>Cost</b>									
At 1 January 2025	355	625	7,690	8,049	244	2,087	1,937	577	21,564
Addition	-	59	601	84	-	-	524	16,904	18,172
Derecognition	-	-	-	-	-	-	-	(261)	(261)
Disposals	-	-	-	-	-	-	(46)	-	(46)
Written off	(162)	(191)	(182)	(419)	-	-	-	-	(954)
Exchange differences	-	*	-	-	-	-	-	(7)	(7)
At 31 December 2025	193	493	8,109	7,714	244	2,087	2,415	17,213	38,468
<b>Accumulated depreciation</b>									
At 1 January 2025	175	362	5,084	2,046	57	304	1,172	152	9,352
Depreciation charge for the financial year	27	80	1,094	1,219	25	209	265	2,644	5,563
Derecognition	-	-	-	-	-	-	-	(206)	(206)
Disposals	-	-	-	-	-	-	(46)	-	(46)
Written off	(137)	(162)	(182)	(379)	-	-	-	-	(860)
Exchange differences	-	*	-	-	-	-	-	(4)	(4)
At 31 December 2025	65	280	5,996	2,886	82	513	1,391	2,586	13,799
<b>Carrying amount</b>									
At 1 January 2025	180	263	2,606	6,003	187	1,783	765	425	12,212
At 31 December 2025	128	213	2,113	4,828	162	1,574	1,024	14,627	24,669

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)****(a) Right-of-use assets**

The Group leases buildings for their office, staff quarters, warehouse, experience centre and factory. The leases for office, staff quarters, warehouse, experience centre and factory generally have lease term between two (2) to three (3) years with options to renew for another two (2) to three (3) years, respectively.

Information about the leases for which the Group is a lessee is presented below:

	Office RM'000	Staff quarters RM'000	Warehouse RM'000	Experience centre RM'000	Factory RM'000	Total RM'000
<b>Carrying amount</b>						
At 1 January 2023	175	130	-	-	-	305
Addition	-	140	-	-	-	140
Depreciation	(95)	(88)	-	-	-	(183)
Exchange differences	8	-	-	-	-	8
At 31 December 2023	88	182	-	-	-	270
Addition	191	254	-	-	-	445
Depreciation	(95)	(186)	-	-	-	(281)
Exchange differences	(9)	-	-	-	-	(9)
At 31 December 2024	175	250	-	-	-	425
Addition	7,324	316	3,130	94	6,040	16,904
Depreciation	(874)	(226)	(521)	(16)	(1,007)	(2,644)
Derecognition	-	(55)	-	-	-	(55)
Exchange differences	(3)	-	-	-	-	(3)
At 31 December 2025	<b>6,622</b>	<b>285</b>	<b>2,609</b>	<b>78</b>	<b>5,033</b>	<b>14,627</b>

**Assets pledged as security**

Motor vehicles of the Group with a carrying amount of RM966,731 (2024: RM670,544 and 2023: RM872,027) have been pledged as security for hire purchase arrangements as disclosed in Note 11(c).

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****6. INVENTORIES**

	----- As at 31 December -----		
	2023	2024	2025
	RM'000	RM'000	RM'000
<b>At lower of cost and net realisable value:</b>			
Raw materials	11,848	9,470	10,162
Packaging materials	2,041	1,662	2,023
Finished goods	1,611	2,207	2,751
Machinery	1,738	2,205	2,113
Spare parts	1,149	1,837	1,761
	18,387	17,381	18,810

The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM93,337,131 (2024: RM97,154,713 and 2023: RM88,951,145).

**7. TRADE AND OTHER RECEIVABLES**

	----- As at 31 December -----		
	2023	2024	2025
	RM'000	RM'000	RM'000
<b>Trade</b>			
Trade receivables	<b>(a)</b>		
- Third parties	30,898	29,776	32,743
- Related parties	5,249	8,143	1,043
	<b>36,147</b>	<b>37,919</b>	<b>33,786</b>
<b>Non-trade</b>			
Other receivables	374	531	326
Goods and service tax ("GST") receivables	-	-	39
Deposits	137	120	616
Prepayments	4,448	3,472	4,555
Amount owing by a director	<b>(b)</b>	14	13
Amount owing by related parties	<b>(b)</b>	9,985	417
	<b>28,190</b>	<b>14,122</b>	<b>5,966</b>
Total trade and other receivables	<b>64,337</b>	<b>52,041</b>	<b>39,752</b>

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****7. TRADE AND OTHER RECEIVABLES (CONTINUED)****(a) Trade receivables**

Trade receivables are non-interest bearing and normal credit terms offered by the Group ranging from 30 days to 90 days. (2024 and 2023: 30 days to 90 days) from the date of invoice. Other credit terms are assessed and approved on a case-by-case basis.

**(b) Amount owing by a director and related parties**

Amount owing by a director and related parties are unsecured, non-interest bearing, repayable on demand and are expected to be settled in cash.

The amount owing by a director, and the excess of amount owing to related parties over amount owing by related parties, have been fully settled subsequent to 31 December 2025.

The information about the credit exposures are disclosed in Note 22(b)(i).

**8. CASH AND SHORT-TERM DEPOSITS**

	----- As at 31 December -----		
	2023	2024	2025
	RM'000	RM'000	RM'000
Cash and bank balances	8,796	9,700	18,782
Short-term deposits	6,607	3,977	4,938
	<b>15,403</b>	<b>13,677</b>	<b>23,720</b>

For the purpose of the combined statements of cash flows, cash and cash equivalents comprise the following:

	----- As at 31 December -----		
	2023	2024	2025
	RM'000	RM'000	RM'000
Short-term deposits	6,607	3,977	4,938
Less: Pledged deposits	(6,485)	(3,855)	(3,616)
	122	122	1,322
Cash and bank balances	8,796	9,700	18,782
Bank overdraft	(3,710)	(2,883)	(2,169)
	<b>5,208</b>	<b>6,939</b>	<b>17,935</b>

Short-term deposits placed with licensed banks of the Group have been pledged to the licensed banks to secure credit facilities granted to the Group as disclosed in Note 11.

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****9. INVESTED EQUITY**

	----- As at 31 December -----					
	Number of ordinary shares			----- Amount -----		
	2023	2024	2025	2023	2024	2025
Unit'000	Unit'000	Unit'000	RM'000	RM'000	RM'000	
At 1 January	1,861	1,861	1,861	1,884	1,884	1,884
Bonus issue	-	-	100	-	-	100
Issued during the financial year	-	-	+	-	-	*
At 31 December	<b>1,861</b>	<b>1,861</b>	<b>1,961</b>	<b>1,884</b>	<b>1,884</b>	<b>1,984</b>

+ Represents 100 units

\* Represents RM100

For the purpose of these combined financial statements, the invested equity at the end of the respective financial years represent the aggregate number of issued share capital of all combining entities within the Group.

**10. TRANSLATION RESERVE**

	----- As at 31 December -----		
	2023	2024	2025
	RM'000	RM'000	RM'000
Translation reserve	(1)	(37)	(75)

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currency is different from that of the Group's presentation currency

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****11. LOANS AND BORROWINGS**

	Note	----- As at 31 December -----		
		2023 RM'000	2024 RM'000	2025 RM'000
<b>Non-current:</b>				
Term loans	(a)	4,660	10,712	7,739
Lease liabilities	(b)	54	157	12,112
Hire purchase payables	(c)	328	214	430
		<b>5,042</b>	<b>11,083</b>	<b>20,281</b>
<b>Current:</b>				
Term loans	(a)	1,418	2,947	2,765
Lease liabilities	(b)	219	271	2,796
Hire purchase payables	(c)	213	199	239
Trust receipts	(d)	6,989	14,745	2,043
Revolving credit	(e)	-	10,000	4,000
Bankers' acceptance	(f)	17,786	14,145	13,162
Bank overdraft	(g)	3,710	2,883	2,169
		<b>30,335</b>	<b>45,190</b>	<b>27,174</b>
<b>Total loans and borrowings:</b>				
Term loans	(a)	6,078	13,659	10,504
Lease liabilities	(b)	273	428	14,908
Hire purchase payables	(c)	541	413	669
Trust receipts	(d)	6,989	14,745	2,043
Revolving credit	(e)	-	10,000	4,000
Bankers' acceptance	(f)	17,786	14,145	13,162
Bank overdraft	(g)	3,710	2,883	2,169
		<b>35,377</b>	<b>56,273</b>	<b>47,455</b>

**(a) Term loans**

Term Loan 1 of the Group of RM11,969 (2024: RM227,686 and 2023: RM437,008) bears interest at 3.00% (2024 and 2023: 3.00%) per annum and is repayable by monthly instalments of RM18,300 over 5.5 years commencing from the day of first drawdown and is secured and supported as follows:

- (i) pledge of first party fixed deposits as disclosed in Note 8;
- (ii) legal charge over properties of a company in which certain directors of the Group have interests;
- (iii) joint and several guarantee by certain directors of the Group;
- (iv) guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad ("SJPP"); and
- (v) corporate guarantee by a company in which certain directors of the Group have interests.

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****11. LOANS AND BORROWINGS (CONTINUED)****(a) Term loans (continued)**

Term Loan 2 of the Group of RM7,323,954 (2024: RM9,000,000 and 2023: Nil) bears interest 4.25% (2024: 4.25% and 2023: Nil) per annum and is repayable by monthly instalments of RM92,650 over 5 years commencing from the day of first drawdown and is secured and supported as follows:

- (i) pledge of first party fixed deposits as disclosed in Note 8;
- (ii) legal charge over properties of a company in which certain directors of the Group have interests;
- (iii) joint and several guarantee by certain directors of the Group;
- (iv) guarantee by SJPP; and
- (v) corporate guarantee by a company in which certain directors of the Group have interests.

Term Loan 3 of the Group RM2,963,459 (2024: RM3,926,972 and 2023: RM4,849,953) bears interest at 4.86%(2024 and 2023: 4.86%) per annum and is repayable by monthly instalments of RM186,000 4.5 years commencing from the day of first drawdown and is secured and supported as follows:

- (i) pledge of first party fixed deposits as disclosed in Note 8;
- (ii) legal charge over properties of a company in which certain directors of the Group have interests;
- (iii) joint and several guarantee by certain directors of the Group;
- (iv) guarantee by SJPP; and
- (v) corporate guarantee by a company in which certain directors of the Group have interests.

Term loan 4 of the Group of RM 8,087 (2024: RM 227,687 and 2023: RM 437,008) bears interest at a rate of 3.00% (2024 and 2023: 3.00%) per annum and is secured and supported as follows:

- (i) legal charge over properties of a company in which certain directors of the Group have interests;
- (ii) joint and several guarantee by certain directors of the Group;
- (iii) guarantee by SJPP; and
- (iv) corporate guarantee by companies in which certain directors of the Group have interests.

Term loan 5 of the Group of RM196,973 (2024: RM276,757 and 2023: RM353,771) bears interest at 3.50% (2024 and 2023: 3.50%) per annum and is repayable by monthly instalments of RM7,350 over six years commencing from the day of first drawdown and is secured and supported as follows:

- (i) pledge of first party fixed deposits as disclosed in Note 8;
- (ii) joint and several guarantee by certain directors of the Group; and
- (iii) guarantee by SJPP.

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****11. LOANS AND BORROWINGS (CONTINUED)****(b) Lease liabilities**

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	----- As at 31 December -----		
	2023	2024	2025
	RM'000	RM'000	RM'000
Minimum lease payments:			
- Not later than one year	224	285	3,443
- Later than one year and not later than five years	55	160	12,837
- More than five years	-	-	504
	279	445	16,784
Less: Future finance charges	(6)	(17)	(1,876)
Present value of minimum lease payments	<b>273</b>	<b>428</b>	<b>14,908</b>
Present value of minimum lease payments:			
- Not later than one year	219	271	2,796
- Later than one year and not later than five years	54	157	11,613
- More than five years	-	-	499
	273	428	14,908
Less: Amount due within twelve months	(219)	(271)	(2,796)
Amount due after twelve months	<b>54</b>	<b>157</b>	<b>12,112</b>

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****11. LOANS AND BORROWINGS (CONTINUED)****(c) Hire purchase payables**

Hire purchase payables of the Group of RM669,102 (2024: RM412,834 and 2023: RM540,768) bear interest ranging from 2.00% to 3.64% (2024: 2.08% to 3.64% and 2023: 2.08% to 3.55%) per annum and are secured by the Group's motor vehicles under hire purchase arrangements as disclosed in Note 5(b).

	----- As at 31 December -----		
	2023 RM'000	2024 RM'000	2025 RM'000
Minimum lease payments:			
- Not later than one year	245	216	263
- Later than one year and not later than five years	345	224	453
	590	440	716
Less: Future finance charges	(49)	(27)	(47)
Present value of minimum lease payments	<b>541</b>	<b>413</b>	<b>669</b>
Present value of minimum lease payments:			
- Not later than one year	213	199	239
- Later than one year and not later than five years	328	214	430
	541	413	669
Less: Amount due within twelve months	(213)	(199)	(239)
Amount due after twelve months	<b>328</b>	<b>214</b>	<b>430</b>

**(d) Trust receipts**

The trust receipts of the Group is secured by way of:

- (i) pledge of first party fixed deposits as disclosed in Note 8;
- (ii) legal charge over properties of a company in which certain directors of the Group have interests;
- (iii) joint and several guarantee by certain directors of the Group;
- (iv) guarantee by SJPP; and
- (v) corporate guarantee by companies in which certain directors of the Group have interests.

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****11. LOANS AND BORROWINGS (CONTINUED)****(e) Revolving credit**

The revolving credit of the Group is secured by way of:

- (i) pledge of first party fixed deposits as disclosed in Note 8;
- (ii) legal charge over properties of a company in which certain directors of the Group have interests;
- (iii) joint and several guarantee by certain directors of the Group;
- (iv) guarantee by SJPP; and
- (v) corporate guarantee by companies in which certain directors of the Group have interests.

**(f) Bankers' acceptance**

The bankers' acceptance of the Group is secured by way of:

- (i) pledge of first party fixed deposits as disclosed in Note 8;
- (ii) legal charge over properties of a company in which certain directors of the Group have interests;
- (iii) joint and several guarantee by certain directors of the Group;
- (iv) guarantee by SJPP; and
- (v) corporate guarantee by companies in which certain directors of the Group have interests.

**(g) Bank overdraft**

The bank overdraft of the Group is secured by way of:

- (i) pledge of first party fixed deposits as disclosed in Note 8;
- (ii) legal charge over properties of a company in which certain directors of the Group have interests;
- (iii) joint and several guarantee by certain directors of the Group;
- (iv) guarantee by SJPP; and
- (v) corporate guarantee by companies in which certain directors of the Group have interests.

**12. DEFERRED TAX LIABILITIES**

	At 1 January 2023 RM'000	Recognised in profit or loss (Note 19) RM'000	At 31 December 2023 RM'000
<b>Deferred tax liability:</b>			
Property, plant and equipment	719	565	1,284

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****12. DEFERRED TAX LIABILITIES (CONTINUED)**

	At 1 January 2024 RM'000	Recognised in profit or loss (Note 19) RM'000	At 31 December 2024 RM'000
<b>Deferred tax liability:</b>			
Property, plant and equipment	1,284	(295)	989

	At 1 January 2025 RM'000	Recognised in profit or loss (Note 19) RM'000	At 31 December 2025 RM'000
<b>Deferred tax liability:</b>			
Property, plant and equipment	989	(155)	834

**13. TRADE AND OTHER PAYABLES**

	----- As at 31 December -----		
Note	2023 RM'000	2024 RM'000	2025 RM'000
<b>Current:</b>			
<b>Trade</b>			
Trade payables	(a)		
- Third parties	8,764	8,024	9,471
- Related parties	729	1,269	-
	<b>9,493</b>	<b>9,293</b>	<b>9,471</b>
<b>Non-trade:</b>			
Other payables	2,065	1,318	1,807
Accruals	2,146	2,176	2,443
Amount owing to related parties	(b)	648	568
Sales and service tax ("SST") payables	69	79	139
Goods and service tax ("GST") payables	11	6	-
	<b>6,331</b>	<b>4,227</b>	<b>4,957</b>
Total trade and other payables	<b>15,824</b>	<b>13,520</b>	<b>14,428</b>

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****13. TRADE AND OTHER PAYABLES (CONTINUED)****(a) Trade payables**

Trade payables are non-interest bearing and the normal credit terms granted to the Group range from 30 to 60 days (2024 and 2023: 30 to 60 days).

**(b) Amount owing to related parties**

Amount owing to related parties is unsecured, non-trade in nature, non-interest bearing, repayable on demand and are expected to be settled in cash.

For explanation on the Group's liquidity risk management processes, refer to Note 22(b)(ii).

**14. REVENUE**

	-----  FYE 31 December  -----		
	2023	2024	2025
	RM'000	RM'000	RM'000
<b>Revenue from customers:</b>			
Sale of goods	137,865	160,691	175,323
	<u>137,865</u>	<u>160,691</u>	<u>175,323</u>
<b>Time of revenue recognition:</b>			
At a point in time	137,865	160,691	175,323
	<u>137,865</u>	<u>160,691</u>	<u>175,323</u>

**15. OTHER INCOME**

	-----  FYE 31 December  -----		
	2023	2024	2025
	RM'000	RM'000	RM'000
Government grant	150	214	104
Net realised foreign exchange gain	-	104	151
Gain on disposal of property, plant and equipment	160	120	6
Rental income	222	232	222
Insurance compensation	-	212	-
Gain on lease termination	-	-	2
Commission income	96	232	127
Miscellaneous income	2	2	1
	<u>630</u>	<u>1,116</u>	<u>613</u>

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****16. FINANCE INCOME**

	----- FYE 31 December -----		
	2023	2024	2025
	RM'000	RM'000	RM'000
Interest income on short-term deposits, cash and bank balances	234	157	124

**17. FINANCE COSTS**

	----- FYE 31 December -----		
	2023	2024	2025
	RM'000	RM'000	RM'000
Interest expense on:			
- Term loans	170	221	856
- Lease liabilities	11	11	644
- Hire purchase payables	28	22	17
- Trust receipts	4	336	203
- Bankers' acceptance	1,009	798	752
- Bank overdraft	286	155	109
	<b>1,508</b>	<b>1,543</b>	<b>2,581</b>

**18. PROFIT BEFORE TAX**

Other than as disclosed elsewhere in the combined financial statements, the following items have been charged in arriving at profit before tax:

	----- FYE 31 December -----		
	2023	2024	2025
	RM'000	RM'000	RM'000
Auditors' remuneration			
- statutory audit			
- Baker Tilly Monteiro Heng PLT	89	89	134
- non-statutory audit			
- Baker Tilly Monteiro Heng PLT	-	-	60
Bad debts written off	10	11	11
Property, plant and equipment written off	-	12	94
Depreciation of property, plant and equipment	2,153	3,315	5,563
Incorporation fees	-	-	4
Expenses related to short-term leases			
- factory	1,098	1,066	855
- building	1,340	1,257	93

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****18. PROFIT BEFORE TAX (CONTINUED)**

Other than as disclosed elsewhere in the combined financial statements, the following items have been charged in arriving at profit before tax: (continued)

	----- FYE 31 December -----		
	2023	2024	2025
	RM'000	RM'000	RM'000
Directors' remuneration			
- Salaries and other related costs	862	1,418	438
- Defined contribution plan	125	211	68
Staff costs			
- Salaries and other related costs	10,489	14,607	15,667
- Defined contribution plan	964	1,278	1,413
Net realised foreign exchange loss	31	-	-
Net unrealised foreign exchange loss	-	7	3
Expenses relating to lease of low value assets	40	43	35
Inventories (written back)/written down	(11)	10	-

**19. INCOME TAX EXPENSE**

The major components of income tax expense for the financial years ended 31 December 2023, 31 December 2024 and 31 December 2025 are as follows:

	----- FYE 31 December -----		
	2023	2024	2025
	RM'000	RM'000	RM'000
<b>Combined statements of comprehensive income</b>			
<b>Current income tax:</b>			
- Current income tax charge	2,451	5,792	10,604
- Adjustment in respect of prior years	(177)	212	91
	2,274	6,004	10,695
<b>Deferred tax (Note 12):</b>			
- Origination/(Reversal) of temporary difference	659	(178)	(190)
- Adjustment in respect of prior years	(94)	(117)	35
	565	(295)	(155)
Income tax expense recognised in profit or loss	2,839	5,709	10,540

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****19. INCOME TAX EXPENSE (CONTINUED)**

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% of the estimated taxable profit for the financial years.

The reconciliations from the tax amount at the statutory income tax rate to the Group's tax expense are as follows:

	----- FYE 31 December -----		
	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit before tax	12,022	22,253	41,572
Tax at Malaysian statutory income tax rate of 24%	2,885	5,341	9,977
Tax rate differences in other country	*	(4)	(5)
Adjustments:			
SME tax savings	(2)	(27)	(19)
Non-taxable income	(6)	(22)	-
Non-deductible expenses	234	281	435
Utilisation of deferred tax assets previously not recognised	(14)	(15)	(20)
Deferred tax not recognised on tax losses and temporary differences	13	60	46
Adjustment in respect of current income tax of prior years	(177)	212	91
Adjustment in respect of deferred tax of prior years	(94)	(117)	35
Income tax expense	<b>2,839</b>	<b>5,709</b>	<b>10,540</b>

\* *Less than RM1,000*

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****20. EARNINGS PER SHARE****Basic earnings per ordinary share**

Basic earnings per ordinary share are based on the profit for the financial years attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial years, calculated as follows:

	----- FYE 31 December -----		
	2023	2024	2025
	RM'000	RM'000	RM'000
Profit attributable to owners of the Group	9,183	16,544	31,032
Weighted average number of ordinary shares (000)	1,861	1,861	1,961
Basic and diluted EPS (RM)	4.93	8.89	15.82

**Diluted earnings per share**

The diluted earnings per ordinary share is not applicable as the Company does not have potential dilutive equity instrument in issue as at the end of each of the financial years that would have a dilutive effect on the basic earnings per ordinary share.

**21. DIVIDENDS**

	----- FYE 31 December -----		
	2023	2024	2025
	RM'000	RM'000	RM'000
<b>Recognised during the financial year:</b>			
Dividends on ordinary shares:			
- Single-tier interim dividend declared for the financial year ended 31 December 2023: RM2 per ordinary share of a combining entity, paid on 15 May 2023	300	-	-
- Single-tier interim dividend declared for the financial year ended 31 December 2024: RM10 per ordinary share of a combining entity, paid on 29 June 2024	-	3,000	-
Dividends on ordinary shares, carried forward	300	3,000	-

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****21. DIVIDENDS (CONTINUED)**

	----- FYE 31 December -----		
	2023 RM'000	2024 RM'000	2025 RM'000
<b>Recognised during the financial year:</b>			
Dividends on ordinary shares, brought forward	300	3,000	-
- Single-tier interim dividend declared for the financial year ended 31 December 2024: RM13.33 per ordinary share of a combining entity, paid on 28 August 2024	-	2,000	-
- Single-tier interim dividend declared for the financial year ended 31 December 2024: RM10 per ordinary share of a combining entity, paid on 23 September 2024	-	3,000	-
- Single-tier interim dividend declared for the financial year ended 31 December 2024: RM100 per ordinary share of a combining entity, paid on 23 December 2024	-	15,000	-
- Single-tier interim dividend declared for the financial year ended 31 December 2024: RM50 per ordinary share of a combining entity, paid on 23 December 2024	-	15,000	-
- Single-tier interim dividend declared for the financial year ended 31 December 2024: RM33.33 per ordinary share of a combining entity, paid on 31 December 2024	-	10,000	-
- Single-tier interim dividend declared for the financial year ended 31 December 2024: RM4 per ordinary share of a combining entity, paid on 31 December 2024	-	5,000	-
- Single-tier interim dividend declared for the financial year ended 31 December 2025: RM6.67 per ordinary share of a combining entity, paid on 10 April 2025	-	-	2,000
Dividends on ordinary shares, carried forward	300	53,000	2,000

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****21. DIVIDENDS (CONTINUED)**

	----- FYE 31 December -----		
	2023 RM'000	2024 RM'000	2025 RM'000
<b>Recognised during the financial year:</b>			
Dividends on ordinary shares, brought forward	300	53,000	2,000
- Single-tier interim dividend declared for the financial year ended 31 December 2025: RM16.67 per ordinary share of a combining entity, paid on 25 August 2025	-	-	5,000
- Single-tier interim dividend declared for the financial year ended 31 December 2025: RM16.67 per ordinary share of a combining entity, paid on 27 November 2025	-	-	5,000
- Single-tier interim dividend declared for the financial year ended 31 December 2025: RM1.20 per ordinary share of a combining entity, paid on 29 December 2025	-	-	1,500
- Single-tier interim dividend declared for the financial year ended 31 December 2025: RM4 per ordinary share of a combining entity, paid on 29 December 2025	-	-	1,000
	300	53,000	14,500

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****22. FINANCIAL INSTRUMENTS****(a) Categories of financial instruments**

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned at amortised cost:

	<b>Carrying amount RM'000</b>	<b>Amortised cost RM'000</b>
<b>As at 31 December 2023</b>		
<b>Financial assets</b>		
Trade and other receivables, less prepayments	59,889	59,889
Cash and short-term deposits	15,403	15,403
	<b>75,292</b>	<b>75,292</b>
<b>Financial liabilities</b>		
Loans and borrowings	(35,377)	(35,377)
Trade and other payables, less SST and GST payables	(15,744)	(15,744)
	<b>(51,121)</b>	<b>(51,121)</b>
<b>As at 31 December 2024</b>		
<b>Financial assets</b>		
Trade and other receivables, less prepayments	48,569	48,569
Cash and short-term deposits	13,677	13,677
	<b>62,246</b>	<b>62,246</b>
<b>Financial liabilities</b>		
Loans and borrowings	(56,273)	(56,273)
Trade and other payables, less SST and GST payables	(13,435)	(13,435)
	<b>(69,708)</b>	<b>(69,708)</b>

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****22. FINANCIAL INSTRUMENTS (CONTINUED)****(a) Categories of financial instruments (continued)**

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned at amortised cost: (continued)

	<b>Carrying amount RM'000</b>	<b>Amortised cost RM'000</b>
<b>As at 31 December 2025</b>		
<b>Financial assets</b>		
Trade and other receivables, less GST receivables and prepayments	35,158	35,158
Cash and short-term deposits	23,720	23,720
	<b>58,878</b>	<b>58,878</b>
<b>Financial liabilities</b>		
Loans and borrowings	(47,455)	(47,455)
Trade and other payables, less SST payables	(14,289)	(14,289)
	<b>(61,744)</b>	<b>(61,744)</b>

**(b) Financial risk management**

The Group's activities are exposed to a variety of financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group's overall financial risk management objective is to optimise value for its shareholders.

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****22. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (continued)**

The Board of Directors reviews and agrees on the policies and procedures for the management of these risks, which are executed by the Group's key senior management.

**(i) Credit risk**

Credit risk is the risk of financial loss to the Group that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit worthiness of a customer is assessed based on a set of evaluation criteria and individual credit limits are defined in accordance with this assessment.

**Trade receivables**

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 statements of financial position.

The carrying amounts of trade receivables are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Credit risk concentration profile

At the end of the reporting period, the Group has a significant concentration of credit risk in the form of one (1) (2024: two (2) and 2023: two (2)) trade receivables, representing approximately 23% (2024: 33% and 2023: 27%) of the Group's total trade receivables.

The Group applies the simplified approach to providing for expected credit losses prescribed by MFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****22. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (continued)****(i) Credit risk (continued)**

The information about the credit risk exposure on the Group's trade receivables are as follows:

	<b>Gross carrying amount at default RM'000</b>
<b>At 31 December 2023</b>	
Current	22,383
1 - 30 days past due	3,409
31 - 60 days past due	1,719
61 - 90 days past due	992
91 - 120 days past due	490
More than 120 days past due	7,154
	<u>36,147</u>
<b>At 31 December 2024</b>	
Current	7,167
1 - 30 days past due	8,299
31 - 60 days past due	14,217
61 - 90 days past due	206
91 - 120 days past due	859
More than 120 days past due	7,171
	<u>37,919</u>
<b>At 31 December 2025</b>	
Current	28,108
1 - 30 days past due	2,980
31 - 60 days past due	700
61 - 90 days past due	568
91 - 120 days past due	45
More than 120 days past due	1,385
	<u>33,786</u>

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****22. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (continued)****(i) Credit risk (continued)****Other receivables and other financial assets**

For other receivables and other financial assets (including cash and cash equivalents), the Group minimises credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the combined statements of financial position.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than the credit term in making a contractual payment.

As at the end of report date, the Group did not recognise any loss allowance for impairment for other receivables and other financial assets.

**(ii) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations when they fall due. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities between financial assets and liabilities. The Group's exposure to liquidity risk arises principally from trade and other payables, loans and borrowings.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group maintains sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group uses a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's finance department also ensures that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****22. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (continued)****(ii) Liquidity risk (continued)**Maturity analysis

The maturity analysis of the Group's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

	Carrying amount RM'000	Contractual cash flows		Total RM'000
		On demand or within one year RM'000	Between one and five years RM'000	
<b>31 December 2023</b>				
Trade and other payables	15,824	15,824	-	15,824
Term loans	6,078	1,639	5,056	6,695
Lease liabilities	273	224	55	279
Hire purchase payables	541	245	345	590
Trust receipts	6,989	6,989	-	6,989
Bankers' acceptance	17,786	17,786	-	17,786
Bank overdraft	3,710	3,710	-	3,710
Financial guarantee contract	-	12,079	-	12,079
	<b>51,201</b>	<b>58,496</b>	<b>5,456</b>	<b>63,952</b>
<b>31 December 2024</b>				
Trade and other payables	13,520	13,520	-	13,520
Term loans	13,659	4,070	12,046	16,116
Lease liabilities	428	285	160	445
Hire purchase payables	413	216	224	440
Trust receipts	14,745	14,745	-	14,745
Revolving credit	10,000	10,000	-	10,000
Bankers' acceptance	14,145	14,145	-	14,145
Bank overdraft	2,883	2,883	-	2,883
Financial guarantee contract	-	11,213	-	11,213
	<b>69,793</b>	<b>71,077</b>	<b>12,430</b>	<b>83,507</b>

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****22. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (continued)****(ii) Liquidity risk (continued)**Maturity analysis (continued)

The maturity analysis of the Group's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows: (continued)

	Carrying amount RM'000	Contractual cash flows			Total RM'000
		On demand or within one year RM'000	Between one and five years RM'000	More than five years RM'000	
<b>31 December 2025</b>					
Trade and other payables	14,428	14,428	-	-	14,428
Term loans	10,504	3,444	8,668	-	12,112
Lease liabilities	14,908	3,443	12,837	504	16,784
Hire purchase payables	669	263	453	-	716
Trust receipts	2,043	2,043	-	-	2,043
Revolving credit	4,000	4,000	-	-	4,000
Bankers' acceptance	13,162	13,162	-	-	13,162
Bank overdraft	2,169	2,169	-	-	2,169
Financial guarantee contract	-	361	-	-	361
	<b>61,883</b>	<b>43,313</b>	<b>21,958</b>	<b>504</b>	<b>65,775</b>

**(iii) Foreign currency risk**

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when sales, purchases and bank balances that are denominated in a foreign currency).

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****22. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (continued)****(iii) Foreign currency risk (continued)**

The Group's unhedged financial assets and liabilities that are not denominated in their functional currencies are as follows:

	----- FYE 31 December -----		
	2023	2024	2025
	RM'000	RM'000	RM'000
Financial assets and liabilities not held in functional currency:			
<b><u>Cash and short-term deposits</u></b>			
United States Dollar ("USD")	10	21	333
Singapore Dollar ("SGD")	13	35	25
New Taiwan Dollar ("TWD")	-	5	4
United Arab Emirates Dirham ("AED")	-	2	2
Indonesian Rupiah ("IDR")	-	-	*
Sri Lankan Rupee ("LKR")	-	-	*
Philippine Peso ("PHP")	-	1	-
Chinese Renminbi ("CNY")	-	-	*
Euro ("EUR")	7	7	32
	30	71	396
<b><u>Trade and other receivables</u></b>			
USD	1,700	721	269
SGD	1,151	2,365	2,606
CNY	1,019	918	789
EUR	1,135	1,500	682
Brunei Dollar ("BND")	69	69	-
	5,074	5,573	4,346
<b><u>Trade and other payables</u></b>			
USD	(1,746)	(361)	(512)
SGD	(181)	(416)	(3,072)
EUR	(620)	(262)	(769)
Thai Baht ("THB")	-	(7)	-
CNY	-	-	(246)
	(2,547)	(1,046)	(4,599)

\* Less than RM1,000

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****22. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (continued)****(iii) Foreign currency risk (continued)**

The Group uses forward foreign exchange contracts to manage foreign currency exposures arising from the Group's payables denominated in currencies other than the functional currencies of the Group. All of the forward foreign exchange contracts have maturities of less than one year after the end of the reporting period. When necessary, the forward contracts are rolled over at maturity.

The notional principal amounts of the Group's outstanding forward foreign exchange contracts are as follows:

	----- As at 31 December -----		
	2023 RM'000	2024 RM'000	2025 RM'000
USD	1,272	-	605
Indian Rupee ("INR")	107	-	-
CNY	-	286	334
EUR	-	-	57

As at the reporting date, the fair values of the forward foreign exchange contracts were not material to the financial statements. Accordingly, the Group has not recognised any derivative financial instruments in the financial statements.

Sensitivity analysis for foreign currency risk

The Group's principal foreign currency exposure relates to USD, SGD, TWD, AED, IDR, LKR, EUR, PHP, CNY, BND and THB.

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****22. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (continued)****(iii) Foreign currency risk (continued)**Sensitivity analysis for foreign currency risk (continued)

The following table demonstrates the sensitivity to a reasonably possible change in the USD, SGD, TWD, AED, IDR, LKR, EUR, PHP, CNY, BND and THB, with all other variables held constant on the Group's total equity and profit for the financial years.

	<b>Change in rate</b>	<b>Effect on profit and equity for the financial year RM'000</b>
<b>At 31 December 2023</b>		
USD	+ 10%	(3)
	- 10%	3
SGD	+ 10%	75
	- 10%	(75)
EUR	+ 10%	40
	- 10%	(40)
BND	+ 10%	5
	- 10%	(5)
CNY	+ 10%	77
	- 10%	(77)

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****22. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (continued)****(iii) Foreign currency risk (continued)**Sensitivity analysis for foreign currency risk (continued)

	<b>Change in rate</b>	<b>Effect on profit and equity for the financial year RM'000</b>
<b>At 31 December 2024</b>		
USD	+ 10%	29
	- 10%	(29)
SGD	+ 10%	151
	- 10%	(151)
EUR	+ 10%	95
	- 10%	(95)
BND	+ 10%	5
	- 10%	(5)
CNY	+ 10%	70
	- 10%	(70)
TWD	+ 10%	*
	- 10%	(*)
AED	+ 10%	*
	- 10%	(*)
PHP	+ 10%	*
	- 10%	(*)
THB	+ 10%	(*)
	- 10%	*

\* Less than RM1,000

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****22. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (continued)****(iii) Foreign currency risk (continued)**Sensitivity analysis for foreign currency risk (continued)

	Change in rate	Effect on profit and equity for the financial year RM'000
<b>At 31 December 2025</b>		
USD	+ 10%	7
	- 10%	(7)
SGD	+ 10%	(33)
	- 10%	33
EUR	+ 10%	(4)
	- 10%	4
CNY	+ 10%	41
	- 10%	(41)
TWD	+ 10%	*
	- 10%	(*)
AED	+ 10%	*
	- 10%	(*)
IDR	+ 10%	*
	- 10%	(*)
LKR	+ 10%	*
	- 10%	(*)

\* Less than RM1,000

**(iv) Interest rate risk**

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's financial instruments as a result of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its long-term loans and borrowings with floating interest rates.

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****22. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (continued)****(iv) Interest rate risk (continued)**Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's total equity and profit for the financial years.

	Carrying amount RM'000	Change in basis point	Effect on profit for the financial year/equity RM'000
<b>31 December 2023</b>			
Term loans	6,078	+ 50	(23)
		- 50	23
Bank overdraft	3,710	+ 50	(14)
		- 50	14
<b>31 December 2024</b>			
Term loans	13,659	+ 50	(52)
		- 50	52
Bank overdraft	2,883	+ 50	(11)
		- 50	11
<b>31 December 2025</b>			
Term loans	10,504	+ 50	(40)
		- 50	40
Bank overdraft	2,169	+ 50	(8)
		- 50	8

**(c) Fair value measurement**

The carrying amounts of cash and short-term deposits, receivables and payables and short-term borrowings are reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

There have been no material transfers between Level 1, Level 2 and Level 3 during the financial years.

**13. ACCOUNTANTS' REPORT (CONT'D)**

**BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**22. FINANCIAL INSTRUMENTS (CONTINUED)**

**(c) Fair value measurement (continued)**

**Level 3 fair value**

Fair value of financial instruments not carried at fair value

The fair value of liability component of term loans are calculated based on the present value of future principal and interest cash flows, discounted at the market interest rate of similar liabilities.

	Carrying amount Total RM'000	Fair value of financial instruments <-----carried at fair value----->				Fair value of financial instruments <-----not carried at fair value----->			
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>31 December 2023</b>									
<b>Financial liabilities</b>									
Term loans	6,078							6,078	6,078
Hire purchase payables	541	-	-	-	-	-	-	541	541
<b>31 December 2024</b>									
<b>Financial liabilities</b>									
Term loans	13,659							13,659	13,659
Hire purchase payables	413	-	-	-	-	-	-	413	413
<b>31 December 2025</b>									
<b>Financial liabilities</b>									
Term loans	10,504							10,504	10,504
Hire purchase payables	669	-	-	-	-	-	-	669	669

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****23. RELATED PARTIES****(a) Identification of related parties**

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

- (i) Entities in which directors have financial interests;
- (ii) A person connected to the directors; and
- (iii) Key management personnel of the Group, comprising persons (including directors) who have the authority and responsibility for planning, directing and controlling the Group's activities directly or indirectly.

**(b) Significant related party transactions**

Significant related party transactions other than those disclosed elsewhere in the combined financial statements are as follows:

	----- FYE 31 December -----		
	2023	2024	2025
	RM'000	RM'000	RM'000
<b>Sales of goods</b>			
- Entities in which directors have financial interests	3,337	3,367	1,698
<b>Purchase of goods</b>			
- Entities in which directors have financial interests	201	428	478
<b>Rental income</b>			
- Entities in which directors have financial interests	222	222	222
<b>Rental expense</b>			
- Entities in which directors have financial interests	1,944	1,944	2,676
- A person connected to the directors	30	30	30

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****23. RELATED PARTIES (CONTINUED)****(b) Significant related party transactions (continued)**

	----- FYE 31 December -----		
	2023 RM'000	2024 RM'000	2025 RM'000
<b>Management fees</b>			
- Entities in which directors have financial interests	9,780	9,780	2,940
<b>Rental of trucks</b>			
- Entities in which directors have financial interests	1,200	1,200	2,228
<b>Sales of property, plant and equipment</b>			
- Entities in which directors have financial interests	-	100	-
<b>Purchase of property, plant and equipment</b>			
- Entities in which directors have financial interests	35	-	-

**(c) Compensation of key management personnel**

	----- FYE 31 December -----		
	2023 RM'000	2024 RM'000	2025 RM'000
Salaries and other related costs	862	1,418	569
Defined contribution plan	125	211	84
	987	1,629	653

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****24. FINANCIAL GUARANTEES**

	----- As at 31 December -----		
	2023 RM'000	2024 RM'000	2025 RM'000
Unsecured:			
Corporate guarantee given to banks for credit facilities granted to companies which certain directors have common interests	12,079	11,213	361
	12,079	11,213	361

**25. CAPITAL MANAGEMENT**

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and a healthy capital ratio in order to support its business and maximise shareholder value.

The Group manages its capital structure and make adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payments to shareholders, return capital to shareholders or issue new shares. No changes were made to the objectives, policies and processes during financial years ended 31 December 2023, 31 December 2024 and 31 December 2025.

The Group monitors capital using the gearing ratio, which is calculated as total debts (excluding lease liabilities) divided by total equity of the Company. The gearing ratio as at 31 December 2023, 31 December 2024 and 31 December 2025 are as follows:

	----- As at 31 December -----		
	2023 RM'000	2024 RM'000	2025 RM'000
Loans and borrowings, less lease liabilities	35,104	55,845	32,547
Total equity	62,685	26,193	42,687
Gearing ratio (times)	<b>0.56</b>	<b>2.13</b>	<b>0.76</b>

There were no changes in the Group's approach to its capital management during the financial years under review.

The Group is not subject to externally imposed capital requirement.

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****26. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEARS****(a) Declaration of dividends to shareholders**

- (i) On 2 March 2026, Bestari Sales declared second single-tier interim dividend of RM6.00 per ordinary share in respect of the financial year ended 31 December 2025 amounting to RM1,500,000 and paid on 5 March 2026.
- (ii) On 2 March 2026, Synerchem Food Processing declared fourth single-tier interim dividend of RM18.33 per ordinary share in respect of the financial year ended 31 December 2025 amounting to RM5,500,000 and paid on 5 March 2026.
- (iii) On 2 March 2026, Synerchem Ingredients declared first single-tier interim dividend of RM1.20 per ordinary share in respect of the financial year ended 31 December 2026 amounting to RM1,500,000 and paid on 18 March 2026.

**(b) Proposed acquisitions of subsidiaries**

On 10 April 2026, the Company entered into conditional share sale agreements with the shareholders for the proposed acquisition of the following companies pursuant to the proposed listing:

**(i) Proposed acquisition of Bestari Sales**

The issuance of 27,552,200 new ordinary shares of the Company at an issue price of RM0.10 per share for the acquisition of the entire issued share capital of Bestari Sales & Marketing Sdn. Bhd..

**(ii) Proposed acquisition of Synerchem Food Processing**

The issuance of 226,358,600 new ordinary shares of the Company at an issue price of RM0.10 per share for the acquisition of the entire issued share capital of Synerchem Food Processing Industry Sdn. Bhd..

**(iii) Proposed acquisition of Synerchem Ingredients**

The issuance of 82,737,700 new ordinary shares of the Company at an issue price of RM0.10 per share for the acquisition of the entire issued share capital of Synerchem Ingredients Sdn. Bhd..

**(iv) Proposed acquisition of Synerchem Engineering**

The issuance of 36,280,800 new ordinary shares of the Company at an issue price of RM0.10 per share for the acquisition of the entire issued share capital of Synerchem Engineering Sdn. Bhd..

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****26. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEARS (CONTINUED)****(b) Proposed acquisitions of subsidiaries (continued)****(v) Proposed acquisition of Synerchem Services**

The issuance of 100 new ordinary shares of the Company at an issue price of RM0.10 per share for the acquisition of the entire issued share capital of Synerchem Services Sdn. Bhd..

**(vi) Proposed acquisition of Synerchem (S)**

The issuance of 100 new ordinary shares of the Company at an issue price of RM0.10 per share for the acquisition of the entire issued share capital of Synerchem (S) Pte. Ltd..

**(vii) Proposed acquisition of Bestari (S)**

The issuance of 100 new ordinary shares of the Company at an issue price of RM0.10 per share for the acquisition of the entire issued share capital of Bestari (S) Pte. Ltd..

**27. SEGMENT INFORMATION**

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by the directors for the purpose of making decisions about resource allocation and performance assessment.

The two reportable operating segments are as follows:

<b>Segments</b>	<b>Products/Services</b>
Production	Food premixes such as seasoned flour premixes, seasoning premixes and other food base premixes.
Supply	Food ingredients, food processing and production equipment and other related products and services.

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****27. SEGMENT INFORMATION (CONTINUED)**

Inter-segment pricing is determined on negotiated basis.

Factors used to identify reportable segments

The Group is organised into business units based on its business segment purposes.

Segment profit

Segment performance is used to measure performance as Directors believe that such information is the most relevant in evaluating the results of the segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the combined financial statements.

Segment assets

The total of segment assets is measured based on all of a segment, as included in the internal reports that are reviewed by the Directors.

Segment liabilities

Segment liabilities are not included in the internal reports that are reviewed by the Directors, hence no disclosures are made on segment liabilities.

	<b>Production segment RM'000</b>	<b>Supply segment RM'000</b>	<b>Total RM'000</b>
<b>31 December 2023</b>			
<b>Revenue:</b>			
Revenue from external customers	104,378	33,487	137,865
<b>Segment profit</b>	42,810	6,104	48,914
Other income			630
Finance income			234
Unallocated expenses			(36,248)
Finance costs			(1,508)
Income tax expense			(2,839)
Profit for the financial year			<b>9,183</b>

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****27. SEGMENT INFORMATION (CONTINUED)**

	<b>Production segment RM'000</b>	<b>Supply segment RM'000</b>	<b>Total RM'000</b>
<b>31 December 2024</b>			
<b>Revenue:</b>			
Revenue from external customers	126,971	33,720	160,691
<b>Segment profit</b>	56,628	6,909	63,537
Other income			1,116
Finance income			157
Unallocated expenses			(41,014)
Finance costs			(1,543)
Income tax expense			(5,709)
Profit for the financial year			<b>16,544</b>
	<b>Production segment RM'000</b>	<b>Supply segment RM'000</b>	<b>Total RM'000</b>
<b>31 December 2025</b>			
<b>Revenue:</b>			
Revenue from external customers	143,378	31,945	175,323
<b>Segment profit</b>	72,667	9,319	81,986
Other income			613
Finance income			124
Unallocated expenses			(38,570)
Finance costs			(2,581)
Income tax expense			(10,540)
Profit for the financial year			<b>31,032</b>

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**

Accountants' Report

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****27. SEGMENT INFORMATION (CONTINUED)**Geographical information

Revenue and non-current assets information based on geographical location of customers are as follows:

	<b>Revenue RM'000</b>	<b>Non-current assets RM'000</b>
<b>31 December 2023</b>		
Malaysia	133,028	14,352
Singapore	2,745	97
Brunei	1,969	-
Others *	123	-
	<u>137,865</u>	<u>14,449</u>
<b>31 December 2024</b>		
Malaysia	156,275	12,034
Singapore	2,523	178
Brunei	1,786	-
Others *	107	-
	<u>160,691</u>	<u>12,212</u>
<b>31 December 2025</b>		
Malaysia	169,691	24,588
Singapore	3,134	81
Brunei	1,714	-
Others *	784	-
	<u>175,323</u>	<u>24,669</u>

\* Includes Cambodia, Bangladesh, China, Hong Kong, Indonesia, Ireland, Pakistan, Saudi Arabia and Sri Lanka.

**13. ACCOUNTANTS' REPORT (CONT'D)****BESTARI FOOD BERHAD**  
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****27. SEGMENT INFORMATION (CONTINUED)**Information about major customers

Revenue from external customers which contributed 10% or more to the total revenue recognised is as follows:

	----- As at 31 December -----		
	2023	2024	2025
	RM'000	RM'000	RM'000
Customer A	27,346	34,434	39,641

## 14. ADDITIONAL INFORMATION

### 14.1 EXTRACTS OF OUR CONSTITUTION

The following provisions are extracted from our Constitution and are qualified in its entirety by the remainder provisions of our Constitution and by applicable law.

The words, terms and expressions appearing in the following provisions shall bear the same meanings used in our Constitution unless they are otherwise defined herein or the context otherwise requires.

#### (i) Remuneration of Directors

The provisions in our Constitution dealing with remuneration, voting and borrowing power of our Directors are as follows:

##### Clause 108 - Remuneration

"The fees and any benefits payable to the Directors shall be such fixed sum as shall from time to time be determined by an Ordinary Resolution of the Company and shall be subject to annual shareholder approval in general meeting be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office PROVIDED ALWAYS that:

- (a) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;
- (b) salaries payable to executive Directors may not include a commission on or percentage of turnover;
- (c) fees and any benefits payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting; and
- (d) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter."

##### Clause 109 - Reimbursement and special remuneration

"109.1 The Directors shall be entitled to be reimbursed for all travelling or such other reasonable expenses as may be incurred in attending and returning from meetings of the Board or of any committee of the Directors or general meetings or otherwise howsoever in connection with or about the business of the Company in the course of performance of their duties as Directors.

109.2 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 exertions 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 Directors may pay him special remuneration, in addition to his Director's fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged subject to any other provisions of this Constitution."

##### Clause 141 - Remuneration of Managing Director and Executive Director

"The remuneration of the Managing Director and/or Executive Directors may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes, but such remuneration shall not include a commission on or percentage of turnover."

**14. ADDITIONAL INFORMATION (CONT'D)****(ii) Directors' voting powers****Clause 128 - Declaration of interest and restriction of voting**

"A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract or arrangement with the Company, shall declare the nature of his interest in accordance with the provisions of the Act and shall not vote or participate in any discussion in respect of any contract or proposed contract or arrangement and shall be counted only to make the quorum present at the meeting of the Board.

This Clause shall not apply to:-

- (a) any arrangement for giving any Director any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company or any of its subsidiaries; 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 has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of a security."

**Clause 130 - Directors appointed at a meeting to hold other office to be counted in the quorum / relaxation of voting restriction**

"A Director, notwithstanding his interest, may be counted in the quorum present at any meeting whereat he or any other Director is to be appointed to hold any office or place of profit under the Company or whereat the Directors resolve to exercise any of the rights of the Company (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company or whereat the terms of any such appointment or arrangements as hereinbefore mentioned are considered, and he may vote on any such matter other than in respect of the appointment of or arrangements with himself or the fixing of the terms thereof."

**Clause 132 - Director's interest in corporation promoted by Company**

"A Director of the Company may be or become a director or other officer of or otherwise interested in any corporation promoted by the Company or in which the Company may be interested as shareholder or otherwise or any corporation which is directly and indirectly interested in the Company as shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of or from his interest in such corporation unless the Company otherwise directs at the time of his appointment. The Directors may exercise the voting power conferred by the shares or other interest in any such other corporation held or owned by the Company, or exercisable by them as directors of such other corporation in such manner and in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of the directors or other officers of such corporation), and any Director may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be, or is about to be appointed a director or other officer of such corporation and as such is or may become interested in the exercise of such voting rights in the manner aforesaid."

**14. ADDITIONAL INFORMATION (CONT'D)****(iii) Directors' borrowing powers****Clause 113 - Directors' borrowing powers**

"Subject to the Act and Listing Requirements, the Directors may from time to time at their discretion raise or borrow for the purpose of the Company such sums of money as they think proper and may also raise or secure the payment of such money in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of debentures or debenture stock of the Company, charged upon all or any part of the property of the Company (both present and future) including uncalled capital, or by means of charges, mortgages, bonds and dispositions in security or bonds or cash deposit, with or without power of sale, and upon such other terms and conditions as the Directors shall think fit."

**(iv) Variation of rights****Clause 20 - Alteration of Class Rights**

"Whenever the capital of the Company 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 the class), either with the consent in writing of the holders of three-quarters (3/4) of the issued shares of the class within two (2) months of the meeting, or with the sanction of any Special Resolution passed at a separate general meeting of such holders (but not otherwise), be modified or abrogated, and may be so modified or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, and such consent or resolution shall be binding upon all the holders of shares of the class. To every such separate general meeting, all the provisions of this Constitution relating to general meetings or to the proceedings thereat shall, mutatis mutandis, apply, except that the necessary quorum shall be two persons at least holding or representing by proxy one-third (1/3) of the issued shares of such class (excluding treasury shares) (but so that if an adjourned meeting of such holders, a quorum as defined above is not present, those Members who are present shall be a quorum), that any holder of shares of the class present in person or by proxy may demand a poll, and that the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively. To every such Special Resolution, the provisions of Section 292 of the Act shall, with such adaptations as are necessary, apply."

**(v) Alteration of capital****Clause 59 - Alteration of Capital**

"59.1 Subject to the provisions of the Act and the Listing Requirements, the Company may by Ordinary Resolution:

- (a) consolidate and divide all or any of its share capital, such that the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived;
- (b) subdivide its shares or any of its shares, such that whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived;
- (c) subject to the provisions of this Constitution and the Act, convert and/or reclassify any class of shares into another class of shares; and/or
- (d) cancel any shares which, at the date of the passing of the resolution, have been forfeited, have not been taken or agreed to be taken by any persons and diminish the amount of its share capital by the amount of the shares so cancelled.

**14. ADDITIONAL INFORMATION (CONT'D)**

59.2 The Company may by Special Resolution reduce its share capital in any manner permitted or authorised under and in compliance with the Act."

**(vi) Transfer of Securities****Clause 44 - Transfer of securities**

"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 in 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 Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the listed Securities."

**(vii) Rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and rights****Clause 21 - Ranking of class rights**

"The rights conferred upon the holders of the shares of any class 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 as regards participation in the profits or assets of the Company in some or in all respects *pari passu* therewith."

**Clause 85(a) - Members' vote**

"Subject to Clause 65 above and any rights or restrictions for the time being attached to any class or classes of shares, at meetings of Members or classes of Members, each Member shall be entitled to be present and to vote at any general meeting of the Company either personally or by proxy or by attorney and to be reckoned in a quorum in respect of shares upon which all calls due to the Company have been paid."

**Clause 85(b) - Proxy's vote**

"A proxy shall be entitled to vote on a show of hands on any question at any general meeting."

**Clause 85(c) - Number of votes**

"Subject to any special rights or restrictions as to voting attached to any class or classes of shares by or in accordance with this Constitution, on a show of hands a holder of ordinary shares or preference shares who is present as a Member or a Member's representative or proxy or attorney and entitled to vote shall be entitled to one (1) vote on any question at any general meeting; and in the case of a poll every Member present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for every share held by him. A person entitled to more than one (1) vote need not use all his votes or cast all the votes he uses on a poll in the same way."

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**14. ADDITIONAL INFORMATION (CONT'D)**

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**Clause 153 - Distribution of dividends**

"The Directors may authorise a distribution of dividend at such time and in such amount as the Directors consider appropriate, if the Directors are satisfied that the Company will be solvent immediately after the distribution is made. In the event, after a distribution is authorised and before it is made, the Directors cease to be satisfied on reasonable grounds that the Company will be solvent immediately after the distribution is made, the Directors shall take all necessary steps to prevent the distribution from being made. No higher dividend shall be paid than is authorised by the Directors, and the declaration of the Directors as to the distribution shall be conclusive.

If at any time the share capital of the Company is divided into different classes the Directors may pay such dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Directors act bona fide they shall not incur any responsibility to the holder of shares conferring any preferential rights for any damage that they may suffer by reason of the payment of a dividend on any shares having deferred or non-preferential rights. The Directors may also pay half-yearly or at other suitable intervals to be determined by them any dividend which may be payable at a fixed rate if they are of the opinion that the profits justify the payment."

**14.2 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/her Shares with Bursa Depository on or before the date is fixed, failing which our Share Registrar will be required to transfer his Shares to the Minister of Finance 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.

**14.3 LIMITATION ON THE RIGHT TO HOLD SECURITIES AND/OR EXERCISE VOTING RIGHTS**

Subject to Section 14.2 above, there is no limitation on the right to own our Shares, including any limitation on the right of non-resident or foreign shareholders to hold or exercise voting rights on our own Shares, which is imposed by Malaysian law or by our Constitution.

**14.4 SHARE CAPITAL**

- (i) Save as disclosed in this Prospectus, no securities will be allotted or issued on the basis of this Prospectus later than 6 months after the date of issue of this Prospectus.
- (ii) As at the date of this Prospectus, we have only 1 class of shares, namely ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.

**14. ADDITIONAL INFORMATION (CONT'D)**

- (iii) Save as disclosed in this Prospectus, no shares, stocks, or debentures of our Company have been issued or proposed to be issued as fully or partly paid-up in cash or otherwise, within 2 years immediately preceding the date of this Prospectus.
- (iv) None of the share capital of our Company or our subsidiaries is under option or agreed conditionally or unconditionally to be put under option as at the date of this Prospectus.
- (v) Save for the Issue Shares reserved for subscription by the Eligible Persons as disclosed in Section 4.1.1(ii) of this Prospectus and subject to our Listing as disclosed in Section 4 of this Prospectus, there is currently no other scheme involving our Directors and employees in the share capital of our Company or our subsidiaries.
- (vi) As at the date of this Prospectus, neither our Company nor our subsidiaries have any outstanding warrants, options, convertible securities or uncalled capital.
- (vii) Save as disclosed in this Prospectus, and save as provided for under our Constitution and the Act, there are no other restrictions upon the holding or voting or transfer of our Shares or the interests in any of our Company or our subsidiaries or upon the declaration or payment of any dividend or distribution thereon.

**14.5 PUBLIC TAKE-OVERS**

None of the following has occurred during the last financial year up to the LPD:

- (i) public take-over offers by third parties in respect of our Shares; and
- (ii) public take-over offers by us in respect of other company's shares.

**14.6 REPATRIATION OF CAPITAL, REMITTANCE OF PROFIT AND TAXATION****14.6.1 Malaysia**

All corporations in Malaysia are required to adopt a single-tier dividend. All dividends distributed by Malaysian resident companies under a single-tier dividend are not taxable. Further, the Government does not levy withholding tax on dividends payment. Therefore, there is no withholding tax imposed on dividends paid to non-residents by Malaysian companies. There is no Malaysian capital gains tax arising from the disposal of listed shares.

With effect from 1 January 2025, annual dividend income exceeding RM100,000 received by individual shareholders, whether resident or non-resident, including those holding shares through nominees, with certain exemptions, are subject to a 2.0% Malaysian income tax on the chargeable dividend income.

**14.6.2 Singapore**

Currently, there are no general exchange control restrictions in Singapore that may affect the following:

- (i) the repatriation or export of capital, including the availability of cash and cash equivalents for use by Synerchem (S) and Bestari (S); and
- (ii) the remittance of dividends, interest or other payments to non-resident holders for securities of Synerchem (S) and Bestari (S).

**14. ADDITIONAL INFORMATION (CONT'D)**

Currently, Singapore operates a “One-Tier” Corporate Income Tax System. As Synerchem (S) and Bestari (S) are tax residents in Singapore, dividends paid by Synerchem (S) and Bestari (S) will generally constitute dividends paid by Singapore resident companies under the Singapore’s one-tier system. Accordingly, such dividend should not be subject to Singapore withholding tax, whether the shareholders receiving the dividends are resident or non-resident in Singapore for income tax purposes.

In addition, under this one-tier system, the income tax payable in respect of taxable corporate profits is the final tax and Synerchem (S) and Bestari (S) can pay tax exempt (one-tier) dividends which are tax exempt in the hands of the shareholder (except co-operatives), regardless of the tax residence status or the legal form of the shareholder.

**14.7 MATERIAL CONTRACTS**

Save as disclosed below, our Group has not entered into any other material contract, which is not in the ordinary course of our business, during the Financial Years Under Review up to the date of this Prospectus:

- (i) share sale agreement dated 10 April 2026 entered into among our Company, Lai Kok Siong and Lew Tai @ Kong Lew Tai for the purchase of the entire equity interest in Bestari Sales for a total purchase consideration of RM2,755,220 to be satisfied via the issuance of 27,552,200 new Shares at an issue price of RM0.10 per Share;
- (ii) share sale agreement dated 10 April 2026 entered into among our Company, Lai Kok Siong and Lew Tai @ Kong Lew Tai for the purchase of the entire equity interest in Bestari (S) for a total purchase consideration of RM10 to be satisfied via the issuance of 100 new Shares at an issue price of RM0.10 per Share;
- (iii) share sale agreement dated 10 April 2026 entered into among our Company, Lai Kok Siong and Lew Tai @ Kong Lew Tai for the purchase of the entire equity interest in Synerchem Engineering for a total purchase consideration of RM3,628,080 to be satisfied via the issuance of 36,280,800 new Shares at an issue price of RM0.10 per Share;
- (iv) share sale agreement dated 10 April 2026 entered into among our Company, Lai Kok Siong and Lew Tai @ Kong Lew Tai for the purchase of the entire equity interest in Synerchem Food Processing for a total purchase consideration of RM22,635,860 to be satisfied via the issuance of 226,358,600 new Shares at an issue price of RM0.10 per Share;
- (v) share sale agreement dated 10 April 2026 entered into among our Company, Lai Kok Siong and Lew Tai @ Kong Lew Tai for the purchase of the entire equity interest in Synerchem Ingredients for a total purchase consideration of RM8,273,770 to be satisfied via the issuance of 82,737,700 new Shares at an issue price of RM0.10 per Share;
- (vi) share sale agreement dated 10 April 2026 entered into among our Company, Lai Kok Siong and Gabriel Lai Yung-Yao for the purchase of the entire equity interest in Synerchem Services for a total purchase consideration of RM10 to be satisfied via the issuance of 100 new Shares at an issue price of RM0.10 per Share;
- (vii) share sale agreement dated 10 April 2026 entered into between our Company and Lai Kok Siong for the purchase of the entire equity interest in Synerchem (S) for a total purchase consideration of RM10 to be satisfied via the issuance of 100 new Shares at an issue price of RM0.10 per Share; and
- (viii) Underwriting Agreement. Further details of the Underwriting Agreement are set out in Section 4.6 of this Prospectus.

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**14. ADDITIONAL INFORMATION (CONT'D)**

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**14.8 MATERIAL LITIGATION**

As at the LPD, our Group is not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, and our Directors confirm that 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 or business position.

**14.9 CONSENTS**

The written consents of our Principal Adviser, Sole Underwriter, Sole Placement Agent, Solicitors, Issuing House, Share Registrar and Company Secretaries as set out in the Corporate Directory of this Prospectus for the inclusion in this Prospectus of their names and all references thereto in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of our Auditors and Reporting Accountants for the inclusion of their name, Accountants' Report and Reporting Accountants' Report on the Compilation of Pro Forma Combined Statements of Financial Position, and all references thereto in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of our Independent Business and Market Research Consultants for the inclusion of its name, the IMR Report and all references thereto in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

**14.10 DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents may be inspected at our registered office at Level 7, Mercu 3, No. 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur during normal business hours for a period of at least 6 months from the date of issue of the Prospectus:

- (i) our Constitution;
- (ii) the audited financial statements of Bestari Food for the financial period from incorporation to 31 December 2025 as well as Bestari Sales, Bestari (S), Synerchem Engineering, Synerchem Food Processing, Synerchem Ingredients, Synerchem Services and Synerchem (S) for the Financial Years Under Review;
- (iii) the IMR Report as set out in Section 8 of this Prospectus;
- (iv) the Reporting Accountants' Report on the Compilation of Pro Forma Combined Statements of Financial Position as set out in Section 12.8 of this Prospectus;
- (v) Accountants' Report as set out in Section 13 of this Prospectus;
- (vi) our material contracts referred to in Section 14.7 of this Prospectus; and
- (vii) the letters of consent given by parties as disclosed in Section 14.9 of this Prospectus.

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**14. ADDITIONAL INFORMATION (CONT'D)**

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**14.11 RESPONSIBILITY STATEMENTS**

Our Directors, Promoters and Offeror have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. 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 Principal Adviser, Sole Underwriter and Sole Placement Agent in relation to our IPO, 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.

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## 15. 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 PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

### 15.1 OPENING AND CLOSING OF APPLICATION PERIOD

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., [●]

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., [●]

In the event of any changes to the date or time for closing, we will advertise the notice of changes in widely circulated daily English and Bahasa Malaysia newspapers in Malaysia, and make an announcement on the website of Bursa Securities.

**Late Applications will not be accepted.**

### 15.2 METHODS OF APPLICATION

#### 15.2.1 Application of our IPO Shares under the Retail Offering

Application must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

<b>Types of Application and category of investors</b>	<b>Application Method</b>
Applications by the Eligible Persons	Pink Application Form only
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

#### 15.2.2 Application of our IPO Shares under the Institutional Offering

<b>Types of Application</b>	<b>Application Method</b>
Applications by:	
(a) Institutional and selected investors	Our Sole Placement Agent will contact the investors directly. They should follow the instructions of Sole Placement Agent.
(b) Bumiputera investors approved by the MITI	MITI will contact the Bumiputera investors directly. They should follow MITI's instructions.

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**15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)**


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**15.3 ELIGIBILITY****15.3.1 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 Authorised Depository Agents as set out in Section 12 of the Detailed Procedures for Application and Acceptance 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. PERSONS SUBMITTING APPLICATION BY WAY OF APPLICATION FORMS MAY NOT SUBMIT APPLICATIONS BY WAY OF ELECTRONIC SHARE APPLICATION OR INTERNET SHARE APPLICATION AND VICE VERSA.**

**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 MINIMISES THE INCIDENT OF REJECTED IPO APPLICATION DUE TO NAME DISCREPANCIES. OUR COMPANY, PRINCIPAL ADVISER AND ISSUING HOUSE ARE NOT RESPONSIBLE FOR ANY ISSUE ARISING THEREAFTER.**

**15.3.2 Application by the 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;
  - (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

## 15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

- (iii) you must submit Applications by using only one of the following methods:
- (a) White Application Form;
  - (b) Electronic Share Application; or
  - (c) Internet Share Application.

### 15.3.3 Application by Eligible Persons

The Eligible Persons will be provided with Pink Application Forms and letters from us detailing their respective allocation. The Eligible Persons must follow the notes and instructions in the said document and where relevant, in this Prospectus. All duly completed Pink Application Forms should be submitted to our Company through the Human Resources or Accounts and Finance Department.

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.

## 15.4 APPLICATION 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 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 “**MIH SHARE ISSUE ACCOUNT NO. [●]**” and crossed “**A/C PAYEE ONLY**” and endorsed on the reverse side with your name and address.

Method below is relevant for White Application Form only whereas for Pink Application Form, kindly direct the submission of the form to our Company, through the Human Resources or Finance Department.

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) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

Malaysian Issuing House Sdn Bhd  
 (Registration No. 199301003608 (258345-X))  
 11<sup>th</sup> Floor, Menara Symphony  
 No. 5, Jalan Prof. Khoo Kay Kim  
 Seksyen 13  
 46200 Petaling Jaya  
 Selangor Darul Ehsan

or

P.O. Box 00010  
 Pejabat Pos Jalan Sultan  
 46700 Petaling Jaya  
 Selangor Darul Ehsan

## 15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

- (ii) or **DELIVER BY HAND AND DEPOSIT** in the drop-in boxes provided at the front portion of Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan

so as to arrive not later than 5.00 p.m. on [●] or by such other time and date specified in any change to the date or time for 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 White Application Form to the Issuing House.

### 15.5 APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS

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 ATMs 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 Electronic Participating Financial Institutions.

### 15.6 APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

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, Hong Leong Investment Bank Berhad, iFAST Capital Sdn Bhd, Kenanga Investment Bank Berhad, Malacca Securities Sdn Bhd, Malayan Banking Berhad, Moomoo Securities Malaysia Sdn Bhd, Public Bank Berhad, RHB Bank Berhad and UOB Kay Hian (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.

### 15.7 AUTHORITY OF OUR BOARD AND THE 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 our 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

**15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)**

- (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 15.9 below.

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.

**15.8 OVER / UNDER-SUBSCRIPTION**

In the event of 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 the SC, Bursa Securities, in widely circulated English and Bahasa Malaysia daily newspapers in Malaysia as well as posted on the Issuing House's website [www.mih.com.my](http://www.mih.com.my) within 1 business day after the balloting event.

Pursuant to the Listing Requirements, we are required to have a minimum of 25% of our Company's issued share capital to be held by at least 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 the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest).

In the event of an under-subscription of our IPO Shares by the Malaysian Public and/or Eligible Persons, subject to the clawback and reallocation as set out in Section 4.1.4 of this Prospectus, any of the abovementioned IPO Shares not applied for will then be subscribed by the Sole Underwriter based on the terms of the Retail Underwriting Agreement.

**15.9 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.

**15.9.1 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 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.

**15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)**

- (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 post to your last address 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).

**15.9.2 For applications by way of Electronic Share Application and Internet Share Application**

- (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 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institution or Internet Participating Financial Institutions or Participating Securities Firms (or arranged with the Authorised Financial Institutions) within 2 Market Days after the receipt of confirmation from the Issuing House.
- (ii) You may check your account on the 5<sup>th</sup> Market Day from the balloting date.
- (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. For Applications that are held in reserve, and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institutions, Internet Participating Financial Institutions or Participating Securities Firms will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institutions, Internet Participating Financial Institutions or Participating Securities Firms will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from the Issuing House.
- (iv) 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 dividend / 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 Depository 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 or Participating Securities Firms for applications made via the Internet Share Application, within 10 Market Days from the date of final ballot of application, at your own risk.

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**15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)**

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**15.10 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 the 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. Consequently, 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 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.

**15.11 ENQUIRIES**

Enquiries in respect of the applications may be directed as follows:

<u>Mode of application</u>	<u>Parties to direct the enquiries</u>
Application Form	Issuing House Enquiry Services Telephone at telephone no. +6(03) 7890 4700
Electronic Share Application	Participating Financial Institution
Internet Share Application	The relevant Internet Participating Financial Institutions or Participating Securities Firms or Authorised Financial Institutions

You may also check the status of your Application at the Issuing House's website at [www.mih.com.my](http://www.mih.com.my), by entering your CDS account number on the site after the allotment date where the status of your Application will be available by 3.00 p.m. of the aforementioned day. Alternatively, you may contact any of the Authorised Depository Agents as set out in the 'Detailed Procedures for Application and Acceptance' accompanying the Electronic Prospectus on the website of Bursa Securities.