

7. BUSINESS OVERVIEW

7.1 OVERVIEW

Our Company was incorporated in Malaysia under the Act on 25 September 2023 as a private limited company under the name of Empire Premium Food Sdn Bhd. Our Company was subsequently converted into a public company on 18 September 2025.

We are an owner-operator of a chain of sushi food service outlets operating under our brand, *Empire Sushi*. Our sushi chain targets the mass market, offering accessible and convenient localised Japanese food focusing on ready-to-eat sushi. As at the LPD, we operate a total of 132 *Empire Sushi* outlets comprising 117 grab-and-go sushi outlets and 15 quick dine-in sushi outlets, across 12 states and 2 federal territories in Malaysia. With the exception of 1 consignment-based outlet, we directly own and operate all our outlets under our *Empire Sushi* brand.

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

Year	Key Event and Milestone
2010 – 2014	In 2010, we commenced our grab-and-go sushi operations on a consignment basis in hypermarkets.
	In 2014, we opened first owned and operated <i>Empire Sushi</i> outlet in a rented space in Berjaya Times Square in Kuala Lumpur, within the central region of Peninsular Malaysia which operated under the <i>Empire Sushi</i> brand.
	In 2014, our grab-and-go sushi operations also expanded into the northern region of Peninsular Malaysia where we opened <i>Empire Sushi</i> outlet in First Avenue Mall in Penang.
2015 - 2020	In 2015, we expanded into the quick dine-in sushi outlet operations where we opened our first <i>Empire Sushi</i> quick dine-in sushi outlet in Amanjaya Mall in Sungai Petani, Kedah. Since then, we continued to expand our quick dine-in sushi outlet operations.
	As part of our geographical market expansion plans, we expanded our grab-and-go sushi chain outlet operations to the east coast region of Peninsular Malaysia where we opened <i>Empire Sushi</i> outlets in Kuantan City Mall in Pahang and Mesra Mall in Terengganu in 2017 and 2019, respectively.
	In 2018, we also expanded to the southern region of Peninsular Malaysia where we opened our <i>Empire Sushi</i> outlet in City Square Mall in Johor.
	In 2019, as part of our strategy to provide ease of accessibility, we launched our <i>Empire Sushi</i> mobile application. The mobile application is an online ordering platform for pick-up by the customer or delivery to the customer's doorstep. In addition, we introduced a membership programme which enables our customers to collect points and earn rewards.
2021 up to the LPD	We obtained our first Halal certification from JAKIM for our grab-and-go sushi outlets in 2021. As at the LPD, a total of 112 out of 132 of our <i>Empire Sushi</i> outlets have obtained Halal certification and we will be certifying our remaining outlets on a progressive basis.
	We expanded to East Malaysia in 2023 where we opened our <i>Empire Sushi</i> grab-and-go sushi outlets in Vivacity Megamall and AEON Mall Kuching Central in Sarawak.
	Leveraging on our experience in quick dine-in sushi outlet operations, we commenced our first quick dine-in sushi outlet featuring a conveyor belt in Setia City Mall in Selangor in 2024.

7. BUSINESS OVERVIEW (Cont'd)

7.2 ACCREDITATIONS, AWARDS AND RECOGNITIONS

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

Year	Key award and recognition	Issuing party
2024	The BrandLaureate Award: Fast moving growing sustainable Business & Brands Award 2024 – Most Preferred Brand	The World Brands Foundation
2024	Putra Aria Brand Awards under the Restaurants and Fast-Food Outlets (Gold)	Association of Accredited Advertising Agents Malaysia
2023	Star Outstanding Business Awards for the following categories: - Best in Retail (Platinum) - Best Halal Product/Service (Platinum) - Best in Marketing (Gold) - Best in CSR (Gold) - Best Employer (Silver)	Star Media Group
2023	Putra Aria Brand Awards under the Restaurants and Fast Food (Bronze)	Association of Accredited Advertising Agents Malaysia
2022	Star Outstanding Business Awards for the following categories: - Best in Retail (Platinum) - Best Employer (Platinum) - Best in Marketing (Silver) - Best in Customer Service (Silver) - Best Halal Product/Service (Silver)	Star Media Group
2022	Sin Chew Business Excellence Award for the following: - Product Excellence Award - Retail Excellence Award	Sin Chew Daily

As at the LPD, a total of 112 of our *Empire Sushi* outlets have obtained Halal certification, as follows:

	Central region	Northern region	Southern region	East coast region	Total
No. of Halal-certified outlets	55	25	21	11	112

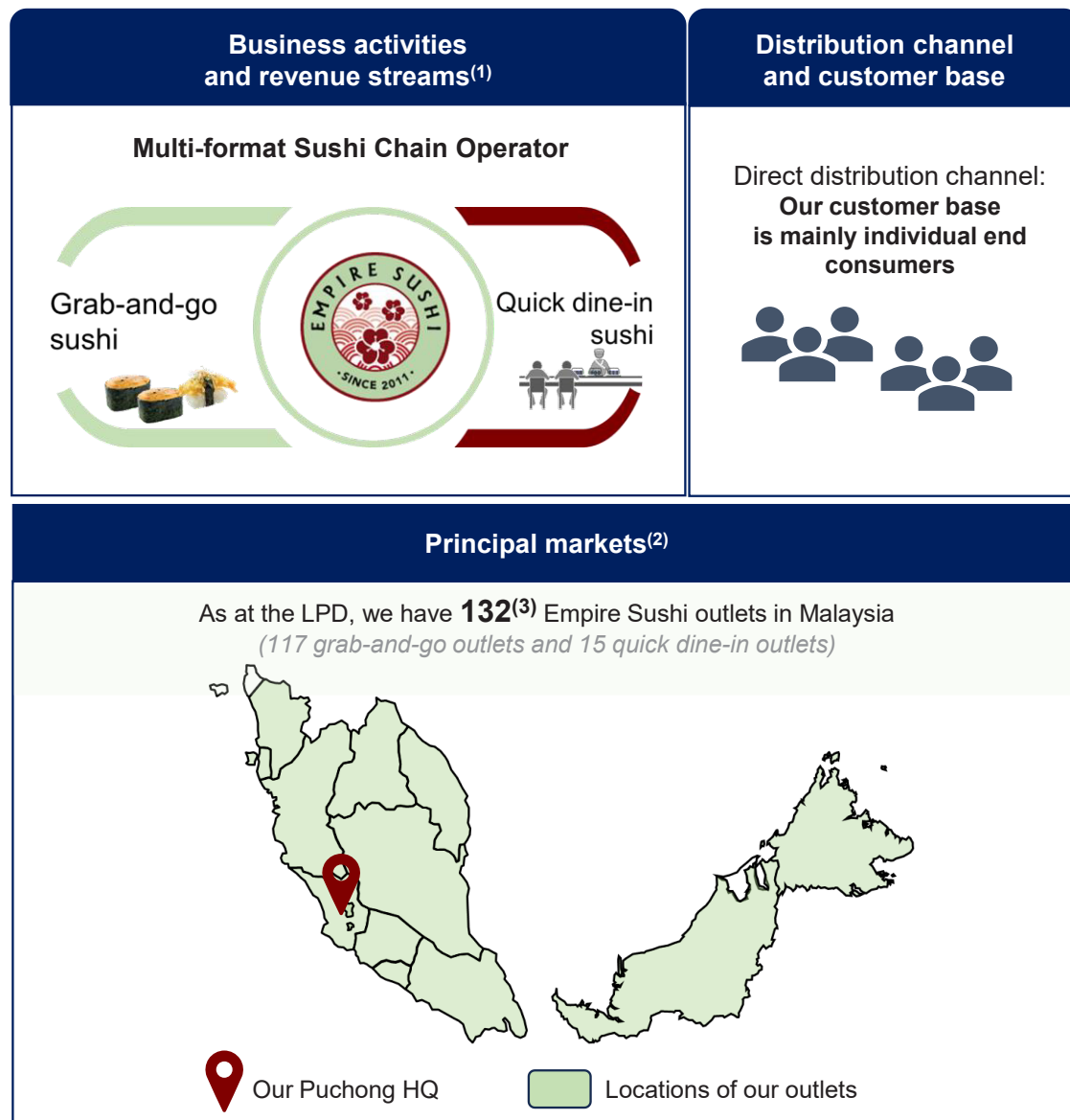
In addition to the Halal certification obtained by our Group, 2 of our outlets are HACCP certified.

7. BUSINESS OVERVIEW (Cont'd)

7.3 OUR BUSINESS

7.3.1 Our business model

Our business model is as follows:



Notes:

- (1) Our revenue was derived from multi-format sushi chain operations. For the Financial Years Under Review, revenue from grab-and-go sushi operations accounted for 84.8%, 87.5% and 87.0% of our revenue and the remaining 15.2%, 12.5% and 13.0% of our revenue was derived from our quick dine-in sushi outlets for the FYE 31 March 2023, the FYE 31 March 2024 and the FYE 31 March 2025, respectively.
- (2) For the Financial Years Under Review, all of our revenue was derived from our network of multi-format sushi chain operations in Malaysia.
- (3) As at the LPD, 112 of the Group's Empire Sushi outlets, representing approximately 84.8% of our Empire Sushi outlets, have obtained Halal certifications.

7. BUSINESS OVERVIEW (Cont'd)

A summary of the key features of our owned and operated outlets as well as an outlet operating under the consignment model are summarised as below:

	Owned and operated outlets	Consignment outlet
Number of outlets under <i>Empire Sushi</i> brand as at LPD	131	1
Store format	Independent store	Chiller counter-within-a-store
Outlet renovation	Empire Sushi	Consignee
Staffing	Empire Sushi	Empire Sushi
Operational aspects:		
- Sales and issuance of receipts to customers	Empire Sushi	Consignee
- Menu and recipes	Empire Sushi	Empire Sushi
- On-site preparation and sourcing of ingredients	Empire Sushi	Empire Sushi
Revenue	Empire Sushi	Revenue sharing

7.3.2 Business activities and revenue streams

We are a chain **owner-operator** of our brand of *Empire Sushi* outlets:

- **Grab-and-go sushi**, which operates on an over-the-counter takeaway format with no dine-in services. Conveniently located in shopping centres, hypermarkets, airport retail mall and transit hub malls, our grab-and-go sushi outlets specialise in fresh, ready-to-eat sushi for takeaway. Customers can quickly select their desired items from an enclosed cooler where our on-site prepared products are displayed. As at the LPD, we own and operate 116 grab-and-go sushi outlets in Malaysia.
- **Quick dine-in sushi**, which offers a casual sit-down dining experience. Our quick dine-in outlets serve customers both ready-to-eat sushi and hot dishes, including noodle soup, oden, grilled items, donburi (rice bowls), appetisers, and side dishes. In addition, 1 of our quick dine-in outlets offers a self-service dining experience where plates of freshly prepared sushi and other small dishes rotate on a conveyor belt, allowing customers to simply pick up the items they desire as they pass by. This ensures a fast and convenient meal. As at the LPD, we operate 15 quick dine-in sushi outlets in Peninsular Malaysia.

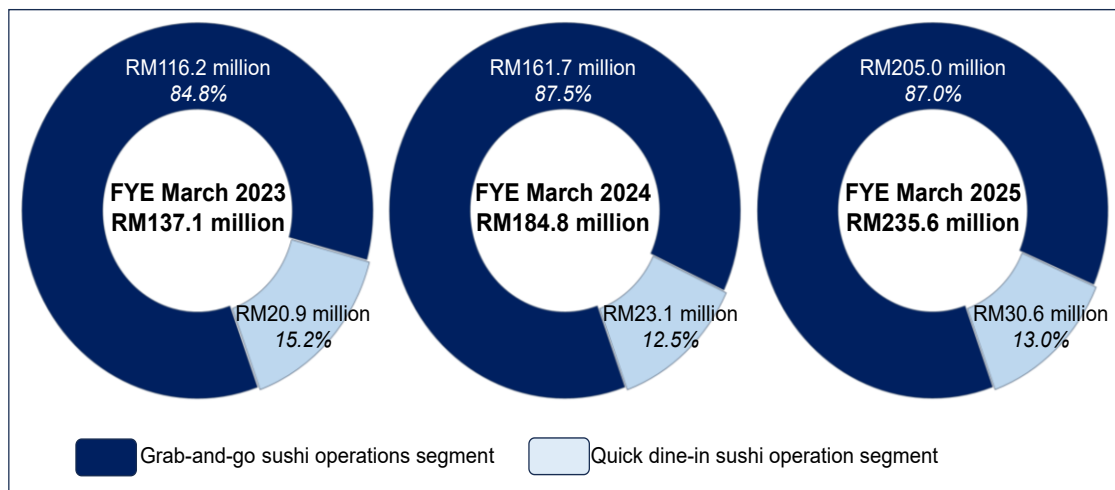
In addition, we also operate 1 grab-and-go sushi outlet on a consignment grab-and-go model, where we prepare our sushi at third-party retailer's premise. Our sushi is sold under our *Empire Sushi* brand at the retailer's outlet. The retailer pays us for the products sold based on an agreed-upon sales-sharing model.

We offer a wide variety of sushi, including, inari (small, seasoned tofu pouches filled with sushi rice and topped with various ingredients), nigiri (small, oval-shaped sushi rice topped with an ingredient), gunkan (small, oval rice balls wrapped in a strip of seaweed to form a "boat" shape, topped with various ingredients), maki and rolls (sliced, rolled sushi with seaweed on the outside and ingredients in the middle), temaki (cone-shaped seaweed sheets filled with sushi rice and various ingredients, then rolled by hand), and onigiri (sushi rice shaped into triangular forms, wrapped with seaweed and filled with various ingredients). All our seafood ingredients for sushi products are cooked, with the sole exception of raw salmon. Our sushi features locally inspired flavours. As at the LPD, we have developed approximately 70 sushi items which are currently made available on our menu offering.

7. BUSINESS OVERVIEW (Cont'd)

As at the LPD, our sushi chain operations are supported by a dedicated workforce of 1,138 employees. All our outlet staff have completed certified food handler training courses, recognised by the MOH which cover essential good hygiene practices and food safety principles.

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



*A small proportion of the grab-and-go sushi operations segment includes 1 consignment outlet which accounted for approximately 0.8% (RM1.1 million), 0.6% (RM1.0 million), and 0.5% (RM1.1 million) of our revenue from the grab-and-go sushi operations segment for the FYE 31 March 2023, the FYE 31 March 2024 and the FYE 31 March 2025, respectively.

Our revenue contribution by owned and operated outlets and consignment outlets for the Financial Years Under Review is set out below:

	FYE 31 March 2023		FYE 31 March 2024		FYE 31 March 2025	
	RM'000	%	RM'000	%	RM'000	%
Grab-and-go sushi operations	116,206	84.8	161,731	87.5	204,977	87.0
Sushi products	111,239	81.2	155,260	84.0	197,007	83.6
Others ⁽¹⁾	4,967	3.6	6,471	3.5	7,970	3.4
Quick dine-in sushi operations	20,889	15.2	23,070	12.5	30,623	13.0
Sushi products	18,846	13.7	21,004	11.4	28,097	11.9
Others ⁽²⁾	2,043	1.5	2,066	1.1	2,526	1.1
Total	137,095	100.0	184,801	100.0	235,600	100.0

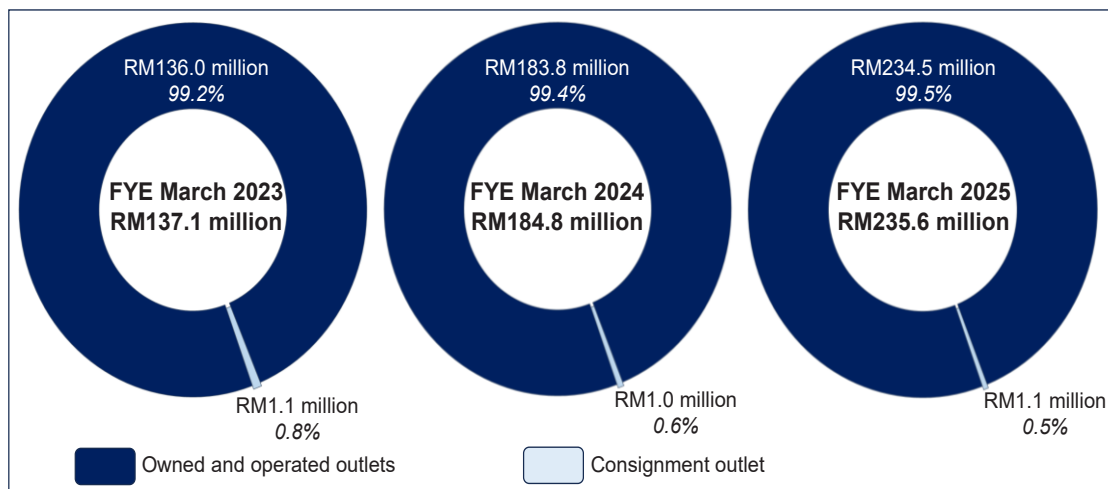
Notes:

(1) Mainly condiments and accompaniments such as soy sauce and wasabi and beverages.

(2) Mainly hot foods such as noodle soup, oden, grilled items, donburi (rice bowls), appetisers, side dishes, beverages and condiments and accompaniments such as soy sauce and wasabi.

7. BUSINESS OVERVIEW (Cont'd)

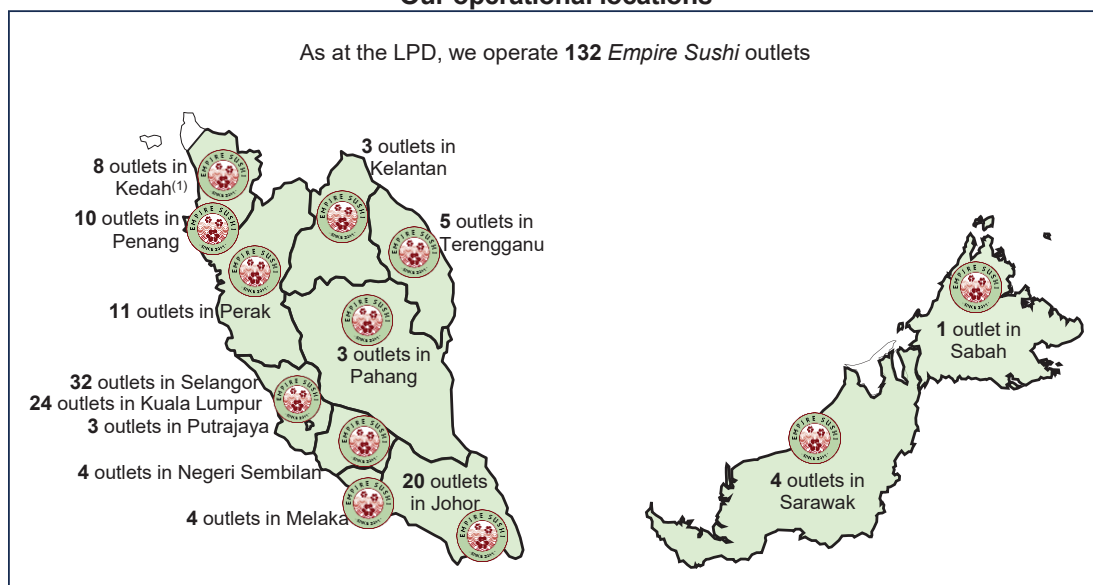
For the Financial Years Under Review, our revenue segmentation by business activity and products are as follows:



7.3.3 Principal market and operational locations

We operate in Malaysia with our head office in Puchong, Selangor. As at the LPD, our *Empire Sushi* outlets are located across 12 states and 2 federal territories in Malaysia as follows:

Our operational locations



Note:

- (1) As at the LPD, we own and operate 131 *Empire Sushi* outlets throughout Malaysia and we operate 1 consignment outlet in Kedah.

7. BUSINESS OVERVIEW (Cont'd)

For the Financial Years Under Review, our revenue segmented by geographical region of our outlets is as follows:

	FYE 31 March 2023		FYE 31 March 2024		FYE 31 March 2025	
	RM'000	%	RM'000	%	RM'000	%
Peninsular Malaysia						
- Central region ⁽¹⁾	65,163	47.5	82,691	44.8	106,146	45.1
- Northern region ⁽²⁾	36,272	26.5	43,681	23.6	52,888	22.5
- Southern region ⁽³⁾	18,584	13.6	35,039	19.0	48,164	20.4
- East coast region ⁽⁴⁾	17,076	12.4	20,573	11.1	23,389	9.9
- East Malaysia ⁽⁵⁾	-	-	2,817	1.5	5,013	2.1
Total	137,095	100.0	184,801	100.0	235,600	100.0

Notes:

(1) Comprises Selangor, Kuala Lumpur and Putrajaya

(2) Comprises Penang, Perak and Kedah.

(3) Comprises Johor, Melaka and Negeri Sembilan.

(4) Comprises Terengganu, Pahang and Kelantan.

(5) Comprises Sarawak only. Our sushi outlet located in Sabah only commenced operations subsequent to the FYE 31 March 2025.

7.3.4 Distribution channels and customer base

We adopt a direct distribution channel where we sell our products directly to our customers, who are mainly individual end-consumers, comprising:

- grab-and-go customers from our grab-and-go sushi outlets and consignee's outlet;
- dine-in customers from our quick dine-in sushi outlets; and
- online customers using our own mobile application and third-party platforms.

Our customer base also extends to corporate entities.

For the Financial Years Under Review, our revenue segmentation by customer base is as follows:

Direct distribution channel	FYE 31 March 2023		FYE 31 March 2024		FYE 31 March 2025	
	RM'000	%	RM'000	%	RM'000	%
End-consumers	137,095	100.0	184,801	100.0	235,600	100.0
<i>Grab-and-go customers ⁽¹⁾</i>	<i>101,978</i>	<i>74.4</i>	<i>145,671</i>	<i>78.8</i>	<i>187,266</i>	<i>79.5</i>
<i>Dine-in customers ⁽²⁾</i>	<i>18,936</i>	<i>13.8</i>	<i>21,363</i>	<i>11.6</i>	<i>28,529</i>	<i>12.1</i>
<i>e-commerce platforms ⁽³⁾</i>	<i>16,181</i>	<i>11.8</i>	<i>17,767</i>	<i>9.6</i>	<i>19,805</i>	<i>8.4</i>
Total	137,095	100.0	184,801	100.0	235,600	100.0

Notes:

(1) Referring to the customers who purchased our sushi products from our owned and operated outlets as well as an outlet operating under the consignment model.

(2) Referring to customers from our quick dine-in sushi outlets.

(3) Referring to customers who made purchases through our online mobile application and third-party platforms.

7. BUSINESS OVERVIEW (Cont'd)

7.4 COMPETITIVE STRENGTHS

Our competitive advantages and key strengths will provide us with the platform to grow our business, as set out below:

7.4.1 We have a leading market position as sushi chain operator in Malaysia based on revenue and number of outlets, providing us with financial strength to sustain, grow, and further expand our business

Our leading market position fortified by revenue of RM235.6 million for the FYE 31 March 2025 and supported by a network of 132 sushi outlets comprising 117 grab-and-go sushi outlets and 15 quick dine-in sushi outlets as at the LPD is crucial for sustaining and growing our business. This strong foothold gives us greater control over our product offerings and services which is instrumental in optimising our market access and expanding our reach to maintain our growth trajectory.

We directly operate all *Empire Sushi* outlets supported by a centralised management team at our head office. This team has developed comprehensive SOPs that guide every aspect of our sushi chain operations. These SOPs ensure uniformity in products, services and daily operations across all outlets. Our commitment to consistency is crucial as it reinforces our brand identity, maintains consistent food quality and delivers a consistently positive customer experience.

Unlike franchised models where independent operators may have diverging goals, our sushi chain benefits from unified business objectives across every outlet. This centralised control also gives us better oversight of our employees, ensuring the smooth and efficient operation of all our sushi outlets.

For the Financial Years Under Review, our revenue grew from RM137.1 million in the FYE 31 March 2023 to RM235.6 million in the FYE 31 March 2025, representing a CAGR of 31.1%. In addition, we opened 59 new outlets across Malaysia during the same period. At the same time, our PAT grew from RM14.6 million for the FYE 31 March 2023 to RM37.9 million for the FYE 31 March 2025, representing a CAGR of 61.2%. Our strong growth will provide us with the financial strength to further expand our business, primarily through the establishment of new outlets across Malaysia.

7.4.2 Our business is modular and scalable, facilitating fast and simplified procedures to expand our chain of sushi outlets

Our business operates on a modular and scalable model, enabling us to expand our sushi outlet network quickly using simplified procedures. This structure also provides a robust platform for rapid and efficient growth, as demonstrated by the 69 new outlets we opened in Malaysia during the Financial Years Under Review and up to the LPD.

The modularity of our operations stems from a centralised control over the supply of intermediate processed food products and ingredients. These are delivered to each outlet, allowing store-level operations to focus primarily on final food preparation, cooking and serving customers, whether for takeaway, food delivery or dine-in. Our head office manages this supply chain, utilising third-party logistics providers for scheduled deliveries. Outlet supervisors place orders directly with our procurement centre in our head office and goods are delivered according to pre-determined schedules.

Beyond the supply chain, our operating model also features centrally controlled administrative procedures. This includes providing each sushi outlet with comprehensive ICT F&B service management systems, SOPs, interior layout and theme guidelines as well as marketing materials and promotions. This centralised approach ensures seamless duplication for new outlets, hence maintaining consistency across our brand.

7. BUSINESS OVERVIEW (Cont'd)

The scalability of our sushi chain operations is built on several key aspects as follows:

- **Centralised functions:** We streamline the new outlet setup process through centrally managed functions;
- **Strategic site selection:** Our expertise in selecting suitable locations in urban and suburban areas takes into consideration local population density, foot traffic, visibility, accessibility, proximity to target customers and securing favourable tenancy terms.
- **Centralised "kitchen" via third-party suppliers:** By utilising selected third-party suppliers for intermediate processed food products and ingredients, we effectively create a virtual centralised "kitchen." This allows our outlets to focus on the final preparation required for quick service, especially for takeaways.

The inherent modularity and scalability of our business model are one of our drivers leading to our sustained growth.

7.4.3 All our outlets are located in shopping centres, hypermarkets, airport retail mall and transit hub malls which enhances our brand visibility to sustain and drive business growth

As at the LPD, we operate a total of 132 *Empire Sushi* outlets strategically located in shopping centres, hypermarkets, airport retail mall and transit hub malls within urban and suburban areas across all regions in Malaysia, comprising 127 outlets in Peninsular Malaysia and 5 outlets in East Malaysia.

These locations provide us with high foot traffic, making our sushi chain highly accessible and convenient for potential customers. Being in malls also significantly enhances brand visibility as constant brand exposure builds strong recognition and recall among consumers, which is critical to our business success.

Our presence across 12 states and 2 federal territories in Malaysia gives us extensive market coverage and ensures easy access for potential customers. As a retail F&B service operator, the accessibility of our outlets is crucial for attracting new customers and fostering loyalty for repeat purchases. This broad addressable market is fundamental to our business's sustainability and continued growth.

For the Financial Years Under Review, our revenue breakdown by geographical region and their respective growth rates are set out below:

	FYE 31 March 2023 RM'000	FYE 31 March 2024 RM'000	FYE 31 March 2025 RM'000	CAGR FYE 31 March 2023-2025
Peninsular Malaysia	137,095	181,984	230,587	29.7%
- Central region	65,163	82,691	106,146	27.6%
- Northern region	36,272	43,681	52,888	20.8%
- Southern region	18,584	35,039	48,164	61.0%
- East coast region	17,076	20,573	23,389	17.0%
East Malaysia	-	2,817	5,013	#
Total	137,095	184,801	235,600	31.1%

Note:

Not applicable as our operations in East Malaysia only commenced during the FYE 31 March 2024.

7. BUSINESS OVERVIEW (Cont'd)

7.4.4 We have capabilities in developing new and improved sushi menus

We have the capabilities in developing new and improved sushi menus for our chain of sushi outlets. The development of new and improved sushi menu is spearheaded by our COO, Jordan Tan, who has approximately 19 years of experience in sushi chain operations, and one of our area managers. The development of new and improved sushi menu mainly involves exploring diverse ingredient combinations and preparation techniques with a focus on incorporating local flavour profiles to create appealing new and enhanced menu items.

We continuously refine our menu through in-house tastings and by actively seeking customer feedback. These insights are crucial for enhancing our offerings and ensuring that every new sushi creation aligns with our brand identity, target market and overall concept. In addition, we have implemented recipe standardisation across all outlets. This guarantees that every sushi item is prepared identically, consistently delivering the quality and taste our customers expect, thereby reinforcing our brand identity. As at the LPD, we offer approximately 70 sushi items on our sushi menu.

As the largest sushi chain operator in Malaysia, product excellence is paramount. Our recipes are developed to be widely accepted and appealing to end-consumers. This focus on culinary quality is reflected through our increasing sales volume which grew from 65.4 million pieces for the FYE 31 March 2023 to 108.0 million pieces for the FYE 31 March 2025, representing a CAGR of 28.5%. Our ability to create and enhance our unique recipes is a core strength, crucial for attracting new customers, building customer loyalty and driving recurrent business to sustain and grow our business.

7.4.5 Our proven 15-year track record in sushi chain operations, together with the majority of our outlets being Halal-certified, serves as a trusted reference for new customers and demonstrates our adaptability and relevance in the mass market

We have an established track record in sushi chain operations since 2010 when we launched our first grab-and-go sushi concept, featuring sushi products displayed and sold in hypermarkets on a consignment basis. Since then, our *Empire Sushi* brand network has expanded to a total of 132 outlets in Malaysia comprising of 117 grab-and-go sushi outlets and 15 quick dine-in sushi outlets as at the LPD. The number of sales transactions also increased from 7.3 million transactions for the FYE 31 March 2023 to 12.2 million transactions for the FYE 31 March 2025, represented a CAGR of 28.9%. Meanwhile, the average number of sales transactions per outlet grew at a CAGR of 5.1% between the FYE 31 March 2023 and the FYE 31 March 2025.

Our success is a testament to the widespread acceptance of our products, driven by our innovative sushi menu development, experienced outlet management and strategic ingredient sourcing, all of which support our expanding network. Our commitment to quality is evident in our stringent operational processes and thorough inspections including supply chain audits. These audits extend beyond our premises to trace ingredients back to their sources, ensuring the integrity of our supply chain from ingredients to final products. As at the LPD, 112 of our sushi outlets in Malaysia are Halal-certified. This certification provides us with a crucial platform to cater to Malaysia's mass market. In addition, we are in the process of applying or obtaining Halal certifications for our remaining sushi outlets on a progressive basis.

Our established operating track record and brand awareness combined with a strong customer base will sustain and help grow our business. Our strategy focuses on appealing to the mass market, which is achieved through our sushi products, localised flavours, competitive pricing, targeted marketing, and strategic placement of outlets in shopping centres, hypermarkets, airport retail mall and transit hub malls. This approach provides us access to a large addressable market, which is crucial for sustaining and growing our business.

7. BUSINESS OVERVIEW (Cont'd)

7.4.6 We have experienced Executive Directors and Key Senior Management to sustain and grow our business

We attribute our business growth and operational excellence to our experienced Executive Directors and Key Senior Management. At the helm is our CEO, Nicole Lim, who possesses approximately 15 years of experience in sushi chain operations, having been with us since the launch of our first *Empire Sushi* outlet in 2010. Nicole Lim is primarily responsible for the overall strategic direction and strategy development of our Group. She played a pivotal role in formulating the strategic direction of our Group, which includes corporate planning, branding and marketing initiatives with her contributions being instrumental in driving the growth and market presence of our Group.

Our CEO is supported by our COO, Jordan Tan, who brings approximately 19 years of experience in sushi chain operations. He is primarily responsible for overseeing overall outlet operations, as well as developing and enhancing our menu offerings including exploring diverse ingredient combinations and preparation techniques.

Our CEO and COO are supported by other members of our Key Senior Management, namely:

- Lim Chung Liang, our CFO, who brings approximately 16 years of experience in accounting and finance matters. He is primarily responsible for the cash flow and financial management of our Group, and he also oversees the accounting, taxation, company secretarial matters and internal control functions of our Group;
- Darren Khoo Yen Jen, our Head of Marketing, who brings approximately 14 years of experience in marketing operations. He is primarily responsible for developing and executing marketing strategies across our outlets, managing brand partnerships and enhancing overall brand visibility.

We believe our experienced management team will help to sustain and grow our business. Please refer to Sections 5.1.2 and 5.4.2 of this Prospectus for the profiles of our Executive Directors and Key Senior Management.

7. BUSINESS OVERVIEW (Cont'd)

7.5 BUSINESS STRATEGIES AND PLANS

Moving forward, we will continue to build on our core grab-and-go sushi chain business and expand our operational facilities to drive business sustainability and growth.

7.5.1 Expansion of sushi chain operations in Malaysia

A summary of our business strategies and plans is set out below:



As at the LPD, we operate a total of 132 *Empire Sushi* outlets comprising of 117 grab-and-go sushi outlets and 15 quick dine-in sushi outlets in Malaysia. Part of our business strategy is to expand our market access and coverage in Malaysia by establishing new sushi outlets, thereby growing our business and revenue.

Our sushi chain expansion strategy is aimed at creating a sustainable, profitable and recognisable brand that reaches a broader customer base while upholding our values and commitment to quality. From that perspective, we plan to expand our network of sushi outlets by establishing an additional 69 new outlets over the next 4 years in Malaysia.

Further, in line with our planned sushi outlet expansion, we will expand our workforce by hiring approximately additional 550 service crew to run our new sushi chain outlets.

Based on our experience in establishing new sushi chain outlets with similar set-up and operational budgets during the Financial Years Under Review and up to the LPD, the said expansion costs of RM[●] million comprises of estimated initial set-up cost of RM[●] million, estimated staff cost of RM[●] million and estimated rental cost of [RM●] million.

The total cost of setting-up the 69 new outlets is estimated to be RM[●] million, of which RM[●] million will be funded by the gross proceeds from the Public Issue, while the remaining RM[●] million will be funded via internally generated funds and/or bank borrowings. We plan to implement the expansion plan between the FYE 31 March 2026 and the FYE 31 March 2029. The establishment of new outlets in the FYE 31 March 2026 will be funded via internally generated funds and/or bank borrowings while the new outlets to be established between the FYE 31 March 2027 and the FYE 31 March 2029 will be funded via the proceeds from the Public Issue. The implementation of the expansion plans will be subject to various factors, including, among others, competition, the availability of suitable locations and human resources. A summary of this expansion plan is set out below:

7. BUSINESS OVERVIEW (Cont'd)

	Number of new sushi outlets				Total
	FYE 31 March 2026 ⁽²⁾	FYE 31 March 2027	FYE 31 March 2028	FYE 31 March 2029	
Multi-format sushi outlets					
Peninsular Malaysia	13	15	15	21	64
East Malaysia	-	-	3	2	5
Total	13	15	18	23	69
Estimated costs⁽¹⁾ (RM'000)	12,300	[•]	[•]	[•]	[•]
Source of funds	Internally generated funds / Bank borrowings	Proceeds from the Public Issue	Proceeds from the Public Issue	Proceeds from the Public Issue	

Notes:

(1) Includes set-up costs such as renovation and fit-out costs, cooking and food preparation equipment costs, staff costs and rental costs.

(2) Includes new sushi outlets to commence operations between 1 September 2025 and 31 March 2026.

Since our target market is focused on the mass market, we will continue to strategically target to open our new sushi outlets in shopping centres, hypermarkets, airport retail mall and transit hub malls in both urban and suburban areas as well as heavily populated commercial neighbourhoods with a mix of office and retail space to ensure a steady stream of customers.

We plan to implement the expansion plan by establishing 69 new outlets, which will operate in either grab-and-go or quick dine-in format. The operating format of the new outlets will be determined based on the suitability of each location, taking into consideration several factors, including the availability of exhaust provision, the size and layout of the available space as well as the commercial terms negotiated with the respective premise owner. In addition, for our new outlets, we require available floor space with a flexible size requirement, ranging from approximately 200 to 1,000 sq. ft..

Any excess amount required for the above costs will be funded by internally generated funds and/or bank borrowings. Conversely, if the actual amount for the above costs is lower than budgeted, the excess will be used for working capital purposes to purchase input materials for our operations.

7. BUSINESS OVERVIEW (Cont'd)

7.5.2 Upgrading of selected existing sushi outlets

Part of our business strategy includes upgrading and refurbishment of selected existing sushi outlets including renovations and replacement of fittings and equipment to proactively address wear and tear, rejuvenate the overall outlet aesthetics and elevate the overall experience of our customers. This ensures our outlets continue to be updated, remain modern and are well-maintained.

We plan to implement the upgrading and refurbishment works between the FYE 31 March 2026 and the FYE 31 March 2029. The total cost for the upgrading of existing sushi outlets is estimated to be RM[●] million, of which RM[●] million will be funded by the proceeds from the Public Issue while the remaining RM[●] million will be funded by internally generated funds and/or bank borrowings. A summary of this plan is set out below:

	Number of existing outlets				
	2026	2027	2028	2029	Total
Existing outlets					
Peninsular Malaysia	6	8	9	10	33
Total	6	8	9	10	33
Estimated costs (RM'000)	2,100	[●]	[●]	[●]	[●]
Source of funds	Internally generated funds / Bank borrowings	Proceeds from the Public Issue	Proceeds from the Public Issue	Proceeds from the Public Issue	

7.6 MODE OF OPERATIONS

7.6.1 Owned and operated outlets

For our owned and operated outlets, our mode of operation is payment based on cash, credit card and e-wallets immediately upon the sales of our products. This applies to all our transactions at our grab-and-go and quick dine-in outlets, as well as sales made through e-commerce platforms.

For credit cards and debit cards, we typically will receive payments from the issuing financial service providers on the next business day following the transaction date. For e-wallet transactions, funds are immediately credited into our accounts once the transaction is completed. For purchases made through e-commerce platform, we typically receive payments within 3 working days after the transaction.

7.6.2 Consignment operations

As at the LPD, we have 1 consignment arrangement in place with a third-party hypermarket located in Kedah where we supply our products on a consignment basis. We are paid only for the products sold. The key payment terms for our consignment arrangement is as follows:

- Revenue is shared based on an agreed percentage of products sold; and
- Payments are remitted to us on a monthly basis together with a detailed monthly sales report provided by the consignee.

7. BUSINESS OVERVIEW (Cont'd)

We are responsible for on-site sushi preparation and the disposal of all unsold products at the end of each business operating day, as part of our responsibilities. While we do not cover expenses such as rent and utilities, all food ingredients are sourced by us and the workers deployed at the outlet are our employees.

7.7 PRODUCTS AND SERVICES

7.7.1 Sushi chain operations

We primarily offer a diverse range of localised sushi, from classic inari, nigiri, gunkan, maki and rolls, temaki and onigiri at our sushi outlets. Other complementary condiments and beverages are also available. Our sushi is prepared following standardised, in-house recipes and rigorous food safety practices, ensuring consistency and quality at each of our outlets. In addition to purchasing our products directly in-store, our products are also readily available through various e-commerce platforms.

All of our outlets are conveniently located in shopping centres, hypermarkets, airport retail mall and transit hub malls ensuring easy access for our target customers. Our operating hours typically align with mall business hours, generally from 10.00 a.m. to 10.00 p.m., seven days a week. These hours may be extended until 11.00 p.m. when the premise operators extend their operating hours. This allows us to serve customers for approximately 12 hours a day, extending sales beyond traditional meal periods.

Our sushi chain operates under two distinct outlet formats:

- (i) grab-and-go sushi outlet; and
- (ii) quick dine-in sushi outlet.

7.7.1.1 Our sushi chain brand identity

Our customer base primarily consists of individual end-consumers, with a small portion of our products purchased by businesses and organisations for various events and purposes. As such, consistent brand identity, awareness and representation play key roles in enhancing the ease of recognition, standardised presentation and conveying the correct message across our *Empire Sushi* outlets.

We position our *Empire Sushi* outlets to offer fast, easily accessible Japanese food for the mass market, featuring ready-to-eat sushi adapted to suit local tastes. The visual identity of *Empire Sushi* incorporates both Japanese and local cultural elements. Our main logo features design elements such as the sakura flower, sushi and bamboo leaf, representing Japanese cultural and culinary influence. The logo also includes a character dressed in a traditional Nyonya outfit, representing the local cultural context and our Malaysian heritage.

Visual identity of our Empire Sushi brand



Generally, our outlets display the *Empire Sushi* brand in red signage and feature a standardised wooden-themed design. These elements are typically applied across all our outlets to support brand uniformity for ease of recognition.

7. BUSINESS OVERVIEW (Cont'd)

7.7.1.2 Operational arrangement of our sushi chain

Our sushi chain operates under the following operational arrangements:

(i) Owner-operator

As at the LPD, we own and operate all our outlets directly, except 1 outlet operated on a consignment basis. Our owner-operated outlets are located on rented premises. As an owner-operator, we are responsible for managing all aspects of operations, including capital investment required for setting up each outlet. This involves securing tenancy agreements, interior fit-out, equipment procurement, and the installation of POS and other operational systems.

We manage and control the day-to-day operations of these outlets, which cover recruitment, training, and supervision of outlet staff, procurement and inventory management of ingredients and packaging materials, menu planning and standardisation, pricing and promotional activities as well as implementation of food safety and hygiene standards.

In addition, we implement and manage all operational systems within the outlet, including POS systems for sales tracking, cash handling procedures, and internal reporting mechanisms. Our head office management team also provides ongoing operational support and performance monitoring to ensure consistency across all outlets.

This arrangement allows us to maintain full control over the operations of our outlets, including the management of customer experience, brand presentation, and service quality. It also provides the flexibility to respond to changes in customer preferences, market conditions, and operational requirements.

As at the LPD, we operate 117 grab-and-go sushi outlets and 15 quick dine-in sushi outlets in Malaysia.

Independent store under owned and operated management



(ii) Consignment

Under the consignment arrangement, our products are sold at the consignee's location, operating under a chiller counter-within-a-store concept. We are allocated a dedicated space within the consignee's retail premises, where we display and sell our products at the *Empire Sushi* branded counters set up by the consignee. All equipment, including the display chiller and kitchen equipment, belongs to us. We do not pay rent or utility charges, all of which are imputed in our revenue-sharing arrangement.

7. BUSINESS OVERVIEW (Cont'd)

Although the sales transactions are processed through the consignee's POS system, the daily operations at these locations are fully managed by our service crew. Our service crew are responsible for the preparation, packaging, display, and restocking of products, as well as providing customer service and maintaining food safety and hygiene standards. This ensures that the quality and presentation of our products remain consistent with our brand image and standards. We also retain control over other key aspects such as pricing, product assortment, branding, and marketing materials displayed at the consignment counters.

We retain ownership of the sushi products until sold to end consumers. The consignee pays us for the value of all products sold based on a pre-agreed revenue-sharing arrangement. We are responsible for disposing of all unsold products in accordance with our internal procedures at the end of each business operating day.

As at the LPD, we have 1 grab-and-go sushi outlet operating under the consignment basis located within a supermarket at Pacific Alor Star Mall, Kedah.

7.7.2 Grab-and-go sushi outlet

7.7.2.1 Overview

Our grab-and-go sushi outlet is designed for over-the-counter takeaway service, providing customers with quick access to a variety of ready-to-eat sushi and related food products. All of our grab-and-go outlets are located within shopping centres, hypermarkets, airport retail mall and transit hub malls, targeting customers seeking convenient meal options without the need for dine-in services.

Each outlet features a chiller display counter where ready-to-eat sushi and related products are arranged for self-selection by customers. In addition to chilled items, certain products such as onigiri and handroll sushi are pre-packaged and displayed at ambient temperature on the counter. Food is prepared in advance and replenished throughout the day to maintain product freshness and availability.

Sushi and related products displayed at a chiller display counter



7. BUSINESS OVERVIEW (Cont'd)

Onigiri and handroll sushi displayed at ambient temperature



Customers may select their preferred items directly from the display, and our outlet staff will assist in packing the selected items for takeaway. Alternatively, customers may place orders in advance via our Empire Sushi mobile application for self-pickup or delivery to their designated address. Our delivery services are fulfilled by third-party logistics providers. Our products are also available through third-party food delivery platforms, including GrabFood and Foodpanda.

Our Empire Sushi mobile application



Our grab-and-go outlets are located in dedicated retail units within shopping centres, hypermarkets, airport retail mall and transit hub malls and are generally compact in size. The outlet layout is designed for operational efficiency, featuring designated areas for food preparation, packing, checkout, and product display. While most outlets are intended for takeaway only, some are equipped with limited seating areas for customer convenience.

Our sushi products are prepared on-site at each of our outlets. We implement standardised operating procedures across all outlets to ensure consistency in food preparation, presentation, and hygiene practices.

7. BUSINESS OVERVIEW (Cont'd)

Some of our grab-and-go sushi outlets



7.7.2.2 Our menu

Our sushi chain menu is developed by our in-house team to cater to the mass market, offering a variety of ready-to-eat sushi and related food products. These are prepared daily in-store to maintain freshness, quality and food safety.

Our menu blends Japanese and Malaysian flavours, incorporating local ingredients, spices, and sauces to cater to the tastes of the local market. Most items are offered in convenient, easy-to-eat portions for customer convenience. We regularly review and update our menu, replacing slow-selling items with new offerings to better align with evolving customer preferences and market trends.

Customers may purchase sushi products individually or select from our available combo sets. The main products offered at our grab-and-go sushi outlets can be broadly categorised as follows:

- **Inari:** Sushi consisting of sushi rice filled into a pouch made from seasoned deep-fried tofu skin and topped with various ingredients.
- **Nigiri:** Sushi consisting of a slice of seafood or other toppings placed on top of a small portion of hand-formed sushi rice.
- **Gunkan:** Sushi where a strip of seaweed is wrapped around a ball of rice and topped with ingredients such as fish roe or salad mixtures.
- **Maki and rolls:** Sushi rolls made by layering sushi rice and fillings on a sheet of seaweed, rolled and cut into pieces.
- **Temaki (hand rolls):** Cone-shaped sushi made by wrapping seaweed around sushi rice and various fillings, designed for convenient handheld consumption.
- **Onigiri:** Sushi rice in triangular forms, wrapped with seaweed and filled with various ingredients.
- **Other related food products:** This includes beverages, mochi desserts, condiments and accompaniments that complement our sushi products.

7. BUSINESS OVERVIEW (Cont'd)

Some of our nigiri sushi



Some of our inari sushi



7. BUSINESS OVERVIEW (Cont'd)

Some of our maki and rolls sushi



Some of our gunkan sushi



7. **BUSINESS OVERVIEW** (Cont'd)

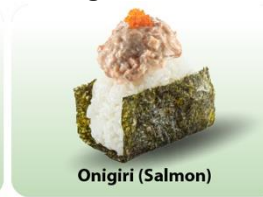
Some of our onigiri



Onigiri (Crab)



Onigiri (Octopus)



Onigiri (Salmon)



Onigiri (Tuna)



Onigiri (Lobster)



Onigiri (Spicy Lobster)



Onigiri (Unagi)

Some of our temaki sushi



Hand Roll (Crab)



Hand Roll (Idako)



Hand Roll (Salmon)



Hand Roll (Tempura Ebi)



Hand Roll (Unagi)

7. BUSINESS OVERVIEW (Cont'd)

Our sushi combo set



7.7.3 Quick dine-in sushi outlet

7.7.3.1 Overview

Our quick dine-in sushi outlet is designed to provide customers with a casual dining experience in a contemporary setting, offering a variety of ready-to-eat sushi and hot dishes including noodle soup, oden, grilled items, donburi (rice bowls), and related food products for on-premises consumption as well as takeaway and delivery. Our quick dine-in outlets are located within shopping centres and hypermarkets, targeting customers seeking dine-in services. It is generally larger in size compared to our grab-and-go outlets. As at the LPD, we have 15 quick dine-in sushi outlets.

Out of the 15 quick dine-in sushi outlets in operation as at the LPD, we have 1 outlet in Setia City Mall which features a conveyor belt system with seating arranged around it. Ready-to-eat sushi and related items are placed on plates with transparent covers and put on a slow-moving conveyor belt for customers to select. The food on the conveyor belt is prepared in advance and regularly replenished throughout the day to ensure freshness and availability.

7. BUSINESS OVERVIEW (Cont'd)

Our quick dine-in sushi outlet



Our quick dine-in sushi outlet with a conveyer belt system in Setia City Mall



7.7.3.2 Our menu

Our quick dine-in outlets feature an expanded menu compared to our grab-and-go outlets. Our quick dine-in outlets offer customers both ready-to-eat sushi and hot dishes such as noodle soup, oden, grilled items, donburi (rice bowls), appetisers, and side dishes. This includes made-to-order items prepared on-site upon request.

Some of our sushi for our quick dine-in sushi outlet



7. BUSINESS OVERVIEW (Cont'd)

Some of our made-to-order noodle soup including ramen and udon



Some of our made-to-order grilled food



7. BUSINESS OVERVIEW (Cont'd)

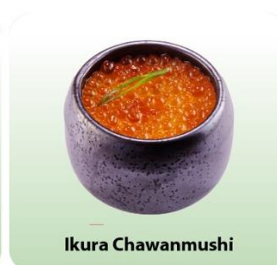
Some of our made-to-order deep-fried food



Some of our made-to-order salad and sashimi



Some of our made-to-order chawanmushi



7. BUSINESS OVERVIEW (Cont'd)

7.7.4 Sushi chain management and operations

7.7.4.1 Centralised management with localised operations

Our sushi outlets are managed centrally with key decisions made at our head office. This centralised approach ensures that all processes involved in our sushi chain operations are streamlined and consistent across all outlets. This approach also enables uniformity in service, product quality and operations as well as economies of scale through the shared utilisation of resources.

Our outlet operations are localised as food ingredients are typically delivered 2 to 3 times per week to each outlet and each outlet prepares the final ready-to-eat product for sale. While the sushi rice is cooked and prepared at each outlet, all other food ingredients are intermediate processed food products and ingredients that we process at our outlets to prepare the final product on-site. Similarly, for our quick dine-in outlets, the dishes commonly prepared on-site include rice and intermediate processed food products and ingredients that require further cooking, such as deep-fried and steamed items, as well as soup-based noodles.

7.7.4.2 Menu and recipe

The menu of our sushi chain is developed in-house by Jordan Tan and one of our area managers at the head office, with certain ingredients such as special prepared sauces and intermediate processed food products and ingredients formulated in collaboration with third-party suppliers. Jordan Tan and one of our area managers are responsible for determining the optimal combination of ingredients for developing new sushi flavour. For selected ingredients that require specialised formulation, such as special prepared sauces and pastes, the formulations are developed jointly with the suppliers based on our specifications and requirements. We retain ownership of the recipes for our special prepared sauces and pastes. As at the LPD, we have entered into non-disclosure agreements with our suppliers, which restrict them from disclosing, among others, the recipes of the ingredients to third parties or from using them for benefit of third parties.

In addition, as part of our measures to protect our recipes from being disclosed to any third party during the day-to-day operations in our sushi outlets, the recipes of our products are divided into parts, where only a specific part of the recipe will be disclosed to the relevant service crew responsible for the preparation. For example, certain service crew may only be provided with the recipe for sushi rice, while the recipe for the sauces and the source of supply are only disclosed to one of our area managers. As such, none of our personnel have access to the full recipe and only authorised personnel have access to the complete recipes as well as the source of supply.

7.7.4.3 Procurement of food ingredients and consumables

The selection of manufacturers and suppliers for our sushi chain is managed centrally by our head office team to ensure a consistent supply of ingredients, packaging materials and other operational necessities that meet our product quality and food safety requirements. In addition, centralised procurement allows us to obtain volume discounts from our suppliers by leveraging bulk purchase volumes for our sushi chain operations.

We assess and select our manufacturers and suppliers based on several key criteria, including, among others, the following:

- Track record and reputation in the market;
- Product quality and consistency;
- Financial strength;
- Adequacy of facilities and equipment to support reliable supply;
- Supply chain capability for sourcing raw and input materials;
- Cleanliness and hygiene standards in the preparation and processing of materials;
- Logistics consideration;

7. BUSINESS OVERVIEW *(Cont'd)*

- Possession of relevant food manufacturing certifications including, GMP, HACCP and Halal certifications; and
- Pricing and other commercial terms.

In addition to the initial selection process, we conduct ongoing assessments to monitor the reliability of our manufacturers and suppliers. This includes regular reviews of product quality, delivery timeliness, consistency of supply, and overall satisfaction with the supplier's service. We also conduct periodic site visits to the manufacturers' or suppliers' facilities as part of our quality assurance and supplier management process.

7.7.4.4 Inventory control and logistics, and quality inspection

Our inventory control process involves monitoring stock levels at the outlet level. Our inventory data is updated daily in our systems, providing our head office with immediate access to the latest information. This information is used to plan replenishment schedules, manage stock rotation, and minimise wastage, particularly for perishable items such as seafood, vegetables, and prepared ingredients. Based on the outlet inventory reports, our head office coordinates procurement and delivery arrangements with suppliers.

Deliveries of purchased materials are carried out according to a fixed delivery schedule and our suppliers will deliver the materials directly to each of our outlets. This arrangement enables us to maintain consistent stock levels across all outlets while ensuring the freshness and quality of the products supplied. Our outlet service crew are responsible for inspecting the quality and quantity of the incoming ingredients when they are delivered.

In addition, our ICT system incorporates data analytic tools to generate detailed wastage reports to identify data including frequently wasted ingredients, reasons for the waste and wastage trends by outlet location. This provides our head office with immediate access to review and monitor.

7.7.4.5 Establishing new outlets

Our head office centrally manages the establishment of new outlets to ensure consistency in outlet format, design, and operational setup. This process involves several key stages, including location assessment, layout planning, fit-out works, and system implementation.

Location assessment is conducted taking into consideration factors such as foot traffic, customer demographics, premises visibility and rental terms. As at the LPD, all our outlets are located within shopping centres, hypermarkets, airport retail mall and transit hub malls. We established all of our sushi outlets in these locations mainly due to the higher foot traffic, which is important in building our brand awareness and exposure. Additionally, these locations offer convenience and accessibility to our target customers.

Once a location is identified, our head office oversees the design and layout planning of the outlet, ensuring alignment with our brand identity and operational requirements. This includes determining the placement of key areas such as the food preparation area, chiller display counter, packing area, and checkout counter.

Fit-out works, including interior finishing, equipment installation, as well as branding and marketing materials, are coordinated and supervised by our head office. Standardised equipment, fixtures and POS systems are installed to maintain uniformity across all outlets.

7.7.4.6 Cash management

Our cash management is primarily focused on overseeing the daily cash flow, ensuring that all transactions are accurately recorded and reported to our head office.

7. BUSINESS OVERVIEW *(Cont'd)*

For outlets operating under the owned and operated arrangement, all sales transactions are processed through our POS system, which records sales data on a real-time basis. Each outlet performs daily sales reconciliation to account for cash and electronic payments, including credit cards, debit cards and e-wallets. Our ICT system incorporates data analytic tools to generate sales reporting including real-time sales data such as sales information by outlet location, menu and items sold and the sales reconciliation reports are updated daily in our systems, providing our head office with immediate access for review and monitoring.

Cash collections from outlets are deposited into our designated bank accounts on a daily basis by the respective outlet supervisors to minimise cash holding at the outlet level. We have established policies and SOP to ensure secure cash handling and transfer, including cash count verification, documentation, and supervision by the outlet supervisor. Any material discrepancies between the cash received and the recorded sales will be investigated to ensure the accuracy and integrity of our financial records and cash management processes.

In addition, our sushi outlets are equipped with a centralised 24-hour CCTV surveillance system to monitor outlet activities, including cash handling processes. Furthermore, we maintain insurance coverage for cash in transit and burglary as part of our cash management practices.

For the outlet under the consignment arrangement, sales transactions are processed through the consignee's POS system. Payments to our Group are made by the consignee on a monthly basis based on the actual sales value of products sold, in accordance with the pre-agreed revenue-sharing arrangement and payment terms.

7.7.4.7 Marketing

Our marketing activities are centrally managed by our head office to ensure consistency in brand identity, product positioning and promotional strategies across all outlets. The scope of centrally managed marketing includes defining target customer groups, brand management, advertisements and promotional campaigns, marketing materials, menu design, pricing strategies and digital marketing. Please refer to Section 7.16 of this Prospectus for further details on our sales and marketing activities.

7.7.4.8 Quality assurance

Our sushi chain is centrally managed by our head office to ensure that all products and services provided across all our outlets meet the required standards for food safety, hygiene, and product consistency.

We implement SOPs across all outlets covering food preparation, handling, storage, display and service. Regular internal monitoring and checks are conducted to ensure compliance with these procedures and regulatory requirements.

All our outlets are equipped with a CCTV surveillance system that is centrally monitored to oversee various activities, including food preparation, customer service and general outlet operations. This system forms part of our quality assurance practices, ensuring that all outlets operate in accordance with established SOPs. The use of the surveillance system helps maintain consistency and quality, allowing us to identify and address any operational issues promptly.

7.7.4.9 Sushi outlet recruitment and management

The key personnel facilitating the day-to-day operations of our outlets include operation managers, outlet supervisors, as well as service crew responsible for customer service, as well as food handling and preparation works.

7. BUSINESS OVERVIEW (Cont'd)

Generally, each sushi outlet is staffed with 4 to 8 staff including service crew and outlet supervisor, operating 2 shifts per day. The outlet supervisors are primarily responsible for overseeing outlet operations, including managing staff schedules, ensuring compliance with food safety and hygiene standards, monitoring inventory levels, maintaining product presentation and handling customer service matters. The outlet supervisors will report to their respective area managers, who in turn report directly to our head office.

Each area manager is responsible for supervising various outlets within a designated area. The area manager's role mainly includes monitoring the overall performance of the outlets under their supervision, providing operational guidance to outlet supervisors, and ensuring adherence to SOP.

Our head office oversees the recruitment process and is responsible for determining suitable candidates for the positions of area manager, outlet supervisors and service crew.

Training is provided at the outlet level where outlet supervisors conduct on-the-job training for new recruits. This training covers areas such as food preparation, customer service, hygiene practices, and outlet procedures, ensuring that all staff members are equipped with the necessary skills to perform their roles in accordance with our standards. In addition, we provide training programmes to our area managers and outlet supervisors in areas such as leadership development and marketing to enhance the competencies of our employees.

7.7.4.10 Outlet standard operating procedures

We have established SOPs for all our sushi outlets to ensure consistent operational processes, product quality, food safety, hygiene, and customer service across all our outlets. These SOPs are developed and managed centrally at head office and implemented at the outlet level through staff training, distribution and updates to operational manuals, and regular monitoring.

Some of the key SOPs that we implement for the operation of our sushi outlets are:

- **Daily opening of outlet:** Standard procedures include activities such as equipment checks, food preparation and replenishment, product display setup and cleanliness inspection to ensure readiness for customer service.
- **Food preparation and handling:** Standard procedures covering ingredient handling, food preparation methods according to our recipes, storage requirements, quality check on input materials and presentation of the products.
- **Product display and stock rotation:** Standard procedures for arranging products on display counters, managing product shelf life, and implementing first-in, first-out (FIFO) stock rotation practices to minimise spoilage and ensure that products offered to customers meet quality and freshness standards.
- **Hygiene and cleanliness:** Standard procedures outlining cleaning schedules and hygiene practices for all outlet areas, including food preparation zones, display counters, packing areas, and customer service points. Staff are also required to adhere to personal hygiene standards in line with regulatory requirements and internal policies.
- **Cash handling:** Standard procedures for daily sales reconciliation, cash counting, reporting and secure handling of cash and cash equivalents.
- **Leftover management:** Standard procedures for handling unsold products at the end of each business operating day, including recording, reporting, and disposal procedures. Based on our SOP, any unsold products at the end of each of the business operating day are disposed of in accordance with our disposal procedures.

7. BUSINESS OVERVIEW (Cont'd)

- **Customer service:** Standard procedures for customer interaction, order handling, complaint management and service delivery to ensure a consistent customer experience across all outlets.
- **Daily closing of outlet:** Standard procedures involve activities such as inventory checks, recording of unsold products, cleaning and sanitisation of food preparation and service areas, cash reconciliation, and securing of outlet premises.

Our head office monitors compliance with these SOPs through regular checks, including area manager visits, internal audits and review of outlet reports. These measures support operational efficiency and ensure uniform quality in the products and services provided at all outlets.

7.7.4.11 ICT F&B service management system

We maintain a centralised ICT F&B service management system that integrates data from all our outlets. This system consolidates data captured through the POS system, including records of our sales transactions, as well as inventory levels and stock movements. It also incorporates real-time access to CCTV footage from our outlets to support remote supervision of outlet operations by our management team. The centralised system enables our management team from the head office to monitor outlet performance in real time, facilitate inventory management, and support other aspects of operational planning.

Our ICT F&B service management system features business intelligence and analytic tools to collect data from various sources including our POS terminals and inventory system to generate daily sales data by products and locations, inventory and waste management data. This helps to streamline daily operations by providing insights into the operations and also facilitate financial reporting.

Please refer to Section 7.13 of this Prospectus for further details on our ICT F&B service management system.

7.7.5 Net change in number of outlets

The net change in the number of outlets for the Financial Years Under Review and up to the LPD:

7. BUSINESS OVERVIEW (Cont'd)

	FYE 31 March 2023	FYE 31 March 2024	FYE 31 March 2025	From 1 April 2025 up to the LPD
Number of outlets at the beginning of the period	65	81	104	122
- <i>Grab-and-go sushi outlets</i>	55	70	92	108
- <i>Quick dine-in outlet</i>	10	11	12	14
Number of new outlets opened during the period	17	24	18	10
- <i>Grab-and-go sushi outlets</i>	16	23	16	9
- <i>Quick dine-in outlet</i>	1	1	2	1
Number of outlets closed during the period	(1)	(1)	-	-
- <i>Grab-and-go sushi outlets</i>	(1)	(1)	-	-
- <i>Quick dine-in outlet</i>	-	-	-	-
Number of outlets at the end of the period	81	104	122	132
- <i>Grab-and-go sushi outlets</i>	70	92	108	117
- <i>Quick dine-in outlet</i>	11	12	14	15

7.8 OPERATIONAL FACILITIES

As at the LPD, we operate from our head office located in Puchong, Selangor, the details of which are set out below:

Company	Main function	Location
Empire Sushi	Head office	No. 5, 5th Floor, Block B, IOI Boulevard, Jalan Kenari 5, Bandar Puchong Jaya, 47170 Puchong, Selangor, Malaysia.

As at the LPD, we have a total of 132 operated *Empire Sushi* outlets across the 12 states and 2 federal territories in Malaysia. All our outlets are located on rented premises, save for 1 outlet which operates on a consignment basis within our consignee's premises.

7. BUSINESS OVERVIEW (Cont'd)



As at the LPD, the key details of our sushi outlets are as follows:

	Number of outlets ⁽¹⁾	Total floor area (sq. ft.)
Total Malaysia	131	70,907
Central region of Peninsular Malaysia	59	31,826
Northern region of Peninsular Malaysia	28	15,177
Southern region of Peninsular Malaysia	28	16,699
East Coast region of Peninsular Malaysia	11	5,323
East Malaysia	5	1,882

Note:

(1) Include outlets which are owned and operated by our Group.

7.9 MACHINERY AND EQUIPMENT

As at 31 March 2025, our main machinery and equipment are as follows:

Machinery and equipment	Number of units	NBV as at 31 March 2025 (RM'000)
Sushi machines	246	5,510
Display showcases	326	2,151
Freezers	259	769
Chillers	159	427
TOTAL	990	8,857

7. BUSINESS OVERVIEW (Cont'd)

7.10 OPERATING CAPACITY AND UTILISATION

Our business is mainly focused on sushi chain operations. The measurement of each sushi outlet's capacity, output and utilisation rate cannot be meaningfully determined due to the following reasons:

Grab-and-go sushi outlets

- The absence of dine-in seating means that sales are not limited by seating availability. This makes it difficult to establish a consistent baseline for capacity or utilisation, and eliminates the key variables typically used to estimate capacity, such as turnover rates and average expenditure per seat per day. As such, the operating capacity of our grab-and-go sushi outlets cannot be reasonably measured using conventional dine-in metrics.
- For all our grab-and-go outlets, sushi production is flexible and demand-driven, with output primarily based on customer purchases. For large orders, customers are generally willing to wait or provide advance notice, allowing us sufficient time to fulfil their requests. Additionally, we produce to stock to replenish our display chillers, ensuring we have a buffer for quick restocking when an item runs low. Our production capacity and output are ultimately dependent on the number of staff available, which can be adjusted to meet demand.

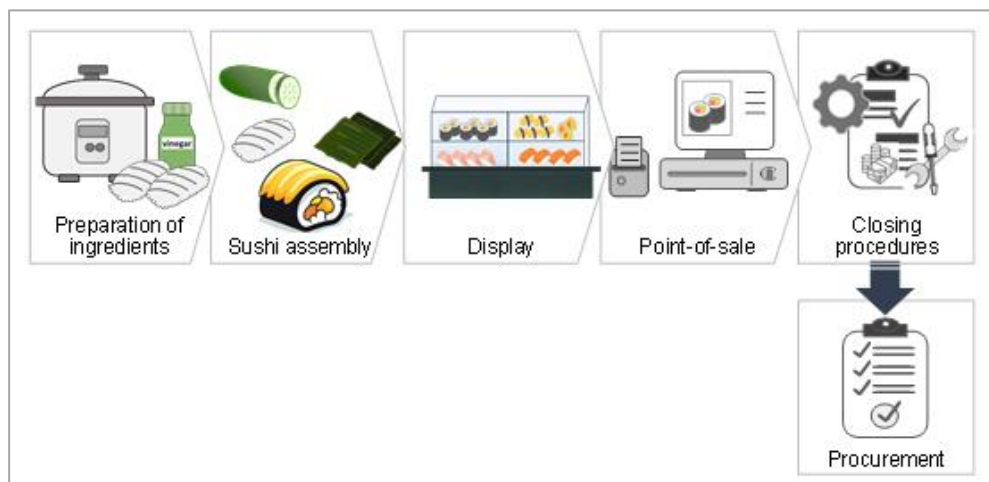
Quick dine-in sushi outlets

- While available seating is one of the factors in determining dine-in capacity, the number of potential turnover and value spent per seat per day per outlet to determine the operating capacity of our quick dine-in sushi outlets cannot be reasonably estimated.
- Each sushi outlet also has takeaway and delivery purchases which are not dependent on available seating, and the capacity to service this segment of the business cannot be reasonably estimated.

7.11 PROCESS FLOW

7.11.1 Sushi chain operations

Generally, the process flow for the operations of our sushi outlets is as follows:



7. BUSINESS OVERVIEW (Cont'd)

- **Preparation of ingredients**

At the start of each day, the service crew at our outlets would carry out the preparation of ingredients, including:

- washing and cooking sushi rice, followed by the addition of seasonings with a vinegar-based mix;
- thawing and apportioning the pre-cooked items such as, battered fried prawns, seasoned mini octopus, grilled fresh water eel, and fish roe; and
- preparing garnishes, sauces, and condiments.

- **Sushi assembly**

The prepared ingredients are then transferred to the sushi assembly station, where our service crew will assemble various sushi items in accordance with the standardised recipes, portion sizes, and hygiene protocols. Their tasks include precise ingredient handling, rolling and shaping sushi, and arranging the products for the next stage of packaging and labelling.

The outlet supervisor oversees the assembly process to ensure adherence to quality, consistency, and food safety standards. This includes conducting regular quality checks on portion accuracy, product appearance and overall presentation, and taste consistency through sampling. The outlet supervisor will also ensure that the service crew at the sushi outlets comply with the SOPs and hygiene practices.

- **Display**

Once assembled, the sushi products are individually arranged on the refrigerated display shelves. We also offer combination packages that include a variety of sushi types in a single set. Our products are sold on a first-in, first-out basis to ensure the earlier produced items that are on display are sold first.

Our staff regularly monitor the product levels on the display shelves and replenish them when they run low.

- **Point-of-sale**

Customers would then select their preferred sushi items from the refrigerated display shelves and proceed to checkout. Multiple payment options are accepted, including cash, credit/debit cards, and e-wallets.

- **Closing procedures**

At the end of each business day, the daily closing procedures are carried out in accordance with our SOPs. This includes:

- discarding all unsold displayed sushi products. The quantity and type of discarded items are recorded in the wastage log for inventory analysis and demand planning;
- cleaning and sanitising the outlet including food preparation areas, equipment, and display shelves, ensuring that equipment, preparation utensils and the premises are clean, hygienic and operationally ready for the following day; and
- conducting cash management procedures, including the reconciliation of sales transactions recorded in the POS system with physical cash, e-wallet, and card payments. Any discrepancies are then reviewed and resolved as part of the daily closing routine.

7. BUSINESS OVERVIEW (Cont'd)

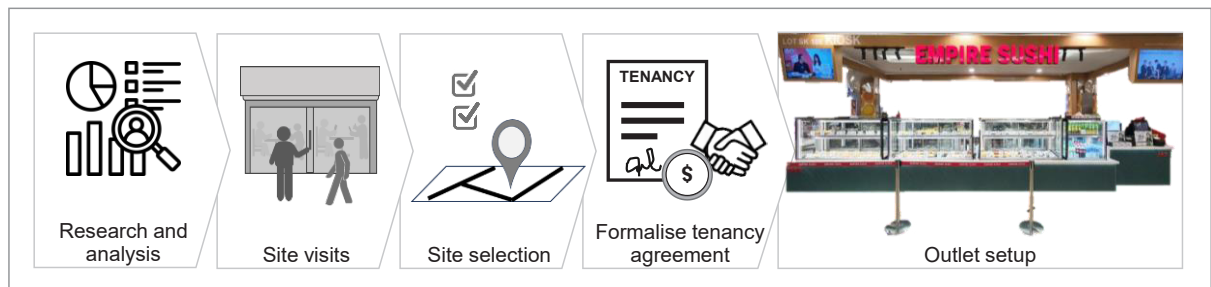
• Procurement

Outlet supervisors are responsible for monitoring the daily inventory levels of key ingredients, including rice, seafood, vegetables, condiments, pastes, sauces, and packaging materials. Based on the current stock levels and projected sales volume, the outlet supervisor would then submit the request for replenishment of items to the central procurement department in the head office.

The central procurement department would then consolidate the orders from all outlets and liaise with approved suppliers to place our purchase orders. Ingredients are then delivered directly to each outlet based on a predetermined delivery schedule, ensuring freshness and continuity in supply.

Visual inspections are conducted upon receipt of ingredients at our outlets, as well as prior to usage. This is to ensure that all ingredients meet quality requirements in terms of size, colour, and texture, as well as hygiene and food safety standards.

7.11.2 Establishing new sushi outlets



The general process flow for the establishment of a new sushi outlet is as follows:

• Research and analysis

The establishment of a new sushi outlet begins with research and analysis to identify the locations that align with our operational and strategic goals. Some of the key considerations include:

- **market research**, which involves assessing the demographics, population density, spending patterns and lifestyle trends. This also includes competitor analysis to evaluate the presence, strength, and pricing strategies of nearby F&B and sushi-focused food service operators; and
- **accessibility and visibility of potential locations**, where we assess proximity to high footfall areas such as office buildings, residential areas, and transport hubs. Some key considerations include ease of access and strong visibility from primary walkways and entrances, which support walk-in and impulse purchases.

Once a list of potential sites has been identified, a cost analysis will be conducted for each location. This includes gathering information on the rental costs, renovation and maintenance costs, and other operational expenditures. A financial projection is then developed for each site, incorporating estimated daily sales volume, gross profit margins and expected payback period to determine the commercial viability of each site.

All our sushi outlets are located in shopping centres, hypermarkets, airport retail mall and transit hub malls, and we will continue with this approach for all new outlets. Typically, shopping mall operators also provide their demographics, customer profile and other pertinent market data for our consideration.

7. BUSINESS OVERVIEW *(Cont'd)*

- **Site visits**

Site visits are conducted to inspect potential sites in person, facilitating decision-making based on actual on-the-ground observations. During these visits, the following are inspected and observed:

- foot traffic patterns, particularly during lunch and dinner hours to determine the potential customer flow;
- proximity to anchor tenants such as supermarkets, cinemas, food courts or lifestyle stores that attract a high volume of visitors;
- visibility and accessibility of the space from main walkways and common areas;
- layout suitability for key components such as refrigerated display shelves, preparation area, POS system and storage compartments;
- access to utilities, including electrical points and internet connectivity; and
- other factors such as mall operational policies and restrictions including operating hours, food preparation limitations, signage guidelines and waste disposal procedures.

- **Selection of site**

Based on the outcomes of our research, analysis, and site visits, the most suitable location is then proposed for management's approval. The selection is guided by a balanced evaluation of key factors such as visibility, foot traffic, operational feasibility, cost-effectiveness and the potential for business success.

- **Formalisation of tenancy agreement**

Once the location is approved, we will proceed with negotiations and formalising the tenancy agreement. This process involves confirming key commercial terms, including the monthly rental, tenure, renovation period, and responsibilities related to maintenance services.

- **Outlet set-up**

After finalising the tenancy, the set-up process begins. This includes the following:

- design, planning and budgeting;
- interior fit-out and branding, including installation of flooring, wall finishes, signage, lighting, and panels in line with our brand identity;
- installation of equipment such as refrigerated display units, sushi preparation tables, cold storage facilities, food-grade shelving and POS systems;
- IT and systems set-up including integration of POS, inventory tracking, temperature monitoring tools and digital payment infrastructure;
- procurement and stocking of initial supplies of sushi ingredients, packaging materials, staff uniforms and marketing materials; and
- compliance and inspection, ensuring all requirements are met for food safety certification, mall fit-out approvals and operational readiness.

7. BUSINESS OVERVIEW (Cont'd)

Once the set-up is completed, the outlet undergoes a final review to ensure it is ready for opening.

7.12 R&D

Our R&D activities primarily focus on the development of new and enhancement of existing sushi products as well as paste and sauce recipes. This supports both our grab-and-go sushi operations and quick dine-in sushi operations. Our continuous R&D activities involve introducing innovative menus by exploring new flavours and tastes, preparation techniques, and utilising specialised sushi-making equipment and machinery. The development of new or enhanced sushi recipes allows us to maintain the interest of existing customers while attracting new ones through variety, freshness, and product innovation.

Generally, the activities that are involved in our R&D include the following:

- **Development of new and enhancement of existing recipes**

Our recipe development process involves experimenting with various ingredient combinations, such as different types of fish, toppings, vegetables, pastes, sauces and seasonings. We also adjust the rice-to-filling ratios to enhance the taste, texture and shelf life of the ingredients. Key considerations include evolving customer preferences, ingredient sourcing, cost, and the suitability of packaging and display under chilled conditions. We collaborate with third-party suppliers to ensure ingredient availability while maintaining our cost targets. Additionally, we assess the compatibility of new recipes with our existing production workflows and sushi-making equipment.

- **Internal tasting and feedback**

During the R&D process, multiple recipe iterations are developed before finalising the selection. Internal tasting sessions are held, involving our R&D team, management, and frontline staff. Feedback is gathered to refine the recipes, focusing on flavour balance, presentation, packaging integrity and ease of production. Only recipes that meet our quality and operational standards move on to the next stage of test marketing.

- **Market acceptance testing and launch**

To evaluate customer acceptance of new products, we may introduce them for a limited time at selected outlets. This allows us to gauge market demand and gather consumer feedback before deciding whether to permanently add the product to our menu. This approach helps us test new concepts while managing risks and minimising operational complexity.

As at the LPD, our development of new and enhanced sushi menu is mainly carried out by our COO, Jordan Tan and one of our area managers. Our R&D is an on-going process and we do not have any separate classification for R&D expenditure during the Financial Years Under Review.

7.13 TECHNOLOGIES USED

We do not employ any specialised technology in our business operations. However, we rely on the technologies in our ICT systems to facilitate the efficient management and operation of our grab-and-go and quick dine-in sushi outlets.

7. BUSINESS OVERVIEW (Cont'd)

(a) Outlet operations

The ICT systems that are implemented at the outlets provide functionalities that support day-to-day operations, including:

- **POS systems**, which facilitate sales transactions by recording, processing, and storing information such as itemised sales data and payment records; and
- **customer loyalty application**, which allows customers to earn and redeem rewards, receive promotions and track their purchase history. Through our customer loyalty application, customers can place orders by selecting their desired outlet and choosing between pickup or delivery options. This enhances the overall customer experience by providing added flexibility and convenience, as well as helping build customer retention and engagement across outlets.

(b) Central management

The central management system connects all outlets to our head office' operations, enabling oversight and supporting functions such as analysis, planning, performance management and reporting.

Our centralised ICT system plays a key role in standardising operations and supporting performance monitoring at both the individual outlet and group levels. It enhances operational efficiency, fosters consistency and provides real-time operational visibility across our entire business. The key functionalities include:

- **real-time sales dashboards**, which consolidate sales data from all outlets and allow performance tracking at both individual and group levels;
- **operational reporting and data analytics**, which support planning, performance analysis, inventory control, and the formulation of promotional strategies; and
- **CCTV monitoring system**, which enables remote visual oversight of outlet operations to support operational compliance and safety.

7.14 SEASONALITY

We experience higher sales in December and January mainly attributed to the festive occasions such as Christmas, New Year and Chinese New Year.

7.15 MATERIAL INTERRUPTIONS IN OUR BUSINESS

We did not experience any material interruptions to our business in the past 12 months.

7.16 MARKETING STRATEGIES AND ACTIVITIES

As a sushi chain operator, our sales and marketing efforts are focused on increasing brand awareness, enhancing brand image, and building brand loyalty for our *Empire Sushi* brand, to strengthen our brand equity. This is achieved through the following approaches:

7. BUSINESS OVERVIEW (Cont'd)

- We will continue to position ourselves as a preferred sushi outlet in Malaysia with a distinctive menu that features Malaysian flavours to meet the tastes of our customers. According to the IMR Report, we held a leading market position as the largest sushi chain operator in Malaysia based on our revenue and number of outlets that we operate as at the LPD.

This is supported by revenue from our *Empire* Sushi chain operations which grew at a CAGR of 31.1% between the FYE 31 March 2023 and the FYE 31 March 2025.

- We will continue to reinforce brand awareness by focusing our marketing strategies on our social media, supplemented with advertising and promotions, including in-store promotions.
- As part of our strategy to cultivate customer loyalty, we have developed a customer loyalty programme which allows our customers to collect points and earn rewards after completing certain “missions”.
- As part of our strategy to enhance customer convenience and market coverage, we will continue to expand our network of sushi outlets with the aim of offering ease of accessibility to our outlets across Malaysia.
- We will retain our pricing strategy which is premised on providing affordability and delivering value to meet the needs of our mass market customers. This is demonstrated by the average unit price of our sushi, which remains relatively affordable at approximately RM2 per piece during the Financial Years Under Review.
- We will continue to place emphasis on maintaining the quality of our sushi. With 112 Halal-certified sushi outlets as at the LPD, we have established a strong and trusted presence in Malaysia catering to diverse consumer needs.

In line with our marketing positioning and strategies, our sales and marketing activities include the following:

(i) Advertisement and promotions:

We will continue to utilise digital marketing and advertising, including third-party social media platforms such as Facebook, Instagram and TikTok. We will continue to publish digital content such as opening of new outlets, product promotions, introduction of new flavours and other digital content to increase our brand awareness, promote customer engagement and generate sales at our outlets.

(ii) In-store promotions:

We organise periodic in-store promotions such as discounts on our sushi products which are applicable for in-store purchases only. The in-store promotions are aimed at increasing foot traffic at our outlets.

In addition, we engage in joint promotions with various third parties to enhance our reach and offer value to customers. This includes collaboration with the following:

- food delivery platform operators that allow us to offer special promotional deals, bundled meals, or exclusive discounts on our sushi products;
- mall operators where we participate in promotional activities with shopping malls by offering exclusive “in-mall” discounts or by collaborating with their loyalty programmes to encourage mall visitors to try our range of sushi; and

7. BUSINESS OVERVIEW (Cont'd)

- petrol kiosk operators where we collaborate with their loyalty programmes for point redemption on our range of sushi.



- Sales and marketing resources

As at the LPD, we have a total of 2 personnel under our marketing department led by our Head of Marketing, Darren Khoo Yen Jen. For the Financial Years Under Review, advertisement and promotion expenses for marketing activities accounted for 0.3%, 0.3% and 0.2% of our revenue for the FYE 31 March 2023, the FYE 31 March 2024 and the FYE 31 March 2025 respectively.

7.17 MAJOR CUSTOMERS

Our customers are mainly individual end-consumers comprising:

- take-away and dine-in customers from our sushi outlets; and
- online customers who place orders through our own platform and third-party food delivery platforms.

In addition, we serve corporate entities based on requests for their events and revenue from these corporate entities customers accounted for less than 0.1% of our revenue for the Financial Years Under Review.

Due to the nature of our Group's business, there is no single customer who has made a material contribution to our revenue during the Financial Years Under Review.

7.18 TYPES AND SOURCES OF INPUT MATERIALS

The major types of input materials that we purchased during the Financial Years Under Review are set out below:

7. BUSINESS OVERVIEW (Cont'd)

	FYE 31 March 2023		FYE 31 March 2024		FYE 31 March 2025	
	RM '000	%	RM '000	%	RM '000	%
Prepared and fresh ingredients	47,307	90.8	60,366	90.3	76,219	90.7
- Prepared and fresh produce	35,915	68.9	45,178	67.6	58,064	69.1
- Pastes, sauces, condiments and seasonings	8,136	15.6	10,728	16.0	12,058	14.3
- Dry food ingredients	3,256	6.3	4,460	6.7	6,097	7.3
Packaging materials and consumables	4,462	8.6	6,050	9.0	7,386	8.8
Beverages	320	0.6	456	0.7	422	0.5
Total	52,089	100.0	66,872	100.0	84,027	100.0

The main input materials used in our sushi chain operations are prepared and fresh food ingredients. These ingredients are delivered and used in the preparation of our sushi at our respective outlets. Purchases of prepared and fresh food ingredients accounted for 90.8%, 90.3% and 90.7% of our total purchases of input materials for the FYE 31 March 2023, the FYE 31 March 2024 and the FYE 31 March 2025, respectively.

The prepared and fresh food ingredients that we purchase include:

- Prepared and fresh seafood, meats and vegetables such as:
 - (i) fresh seafood such as fresh cut salmon and crabstick (kanikama or surimi);
 - (ii) prepared seafood such as tempura prawn, seasoned mini octopus, grilled freshwater eel and fish roe;
 - (iii) fresh and cooked meat such as boneless and skinless chicken breast or thigh in either cubes or strips; and
 - (iv) fresh fruits and vegetables such as cucumbers, avocados, carrots, spring onions and shiso leaves.
- Pastes, sauces, condiments and seasonings such as soy sauce (shoyu), mayonnaise, vinegar, wasabi, pickled ginger and special pastes and sauces.
- Dry foods such as rice, dried seaweed (nori) in sheets and flakes, sesame seeds, dried bonito flakes (katsuobushi), dried kelp (kombu) and edible oils.

The purchase of packaging materials and consumables which includes plastic trays and lids, small plate food covers, plastic spoons, paper boxes, disposable wooden chopsticks, paper napkins and plastic bags accounted for 8.6%, 9.0% and 8.8% of our total purchases of input materials for the FYE 31 March 2023, the FYE 31 March 2024 and the FYE 31 March 2025, respectively.

We also purchase various types of beverages including tea, fruit and carbonated drinks. Purchases of these beverages accounted for 0.6%, 0.7% and 0.5% of our total purchases of input materials for the FYE 31 March 2023, the FYE 31 March 2024 and the FYE 31 March 2025, respectively.

During the Financial Years Under Review, our fresh produce and beverages were mainly imported while our packaging materials, pastes, sauces, condiments and seasonings as well as dry food ingredients were mainly sourced locally.

7. BUSINESS OVERVIEW

7.18.1 Sources of our input materials

The breakdown of input materials purchased by source of supply for the Financial Years Under Review is set out below:

	FYE 31 March 2023			FYE 31 March 2024			FYE 31 March 2025			Main country of origin for imported input materials
	RM '000	Domestic (%)	Imported (%)	RM '000	Domestic (%)	Imported (%)	RM '000	Domestic (%)	Imported (%)	
Prepared and fresh produce	35,915	5.5	94.5	45,178	3.6	96.4	58,064	4.1	95.9	China, Norway and Taiwan
Pastes, sauces, condiments and seasonings	8,136	99.0	1.00	10,728	99.0	1.0	12,058	98.9	1.1	New Zealand
Packaging materials and consumables	4,462	100.0	-	6,050	100.0	-	7,386	100.0	-	-
Dry food ingredients	3,256	100.0	-	4,460	100.0	-	6,097	100.0	-	-
Beverages	320	-	100.0	456	-	100.0	422	-	100.0	USA and Singapore
Total	52,089	34.1	65.9	66,872	34.0	66.0	84,027	33.1	66.9	

7. BUSINESS OVERVIEW (Cont'd)**7.19 MAJOR SUPPLIERS**

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

FYE 31 March 2023

Supplier name	Country of origin	RM'000	%	Length of relationship as at the LPD ⁽¹⁾ (years)	Input materials purchased
Supplier AB ⁽²⁾	Malaysia	21,683	41.6	5	Prepared and fresh produce
Supplier C ⁽³⁾	Malaysia	6,487	12.4	5	Sauces and seasonings, prepared and fresh produce
Supplier D ⁽⁴⁾	Malaysia	4,202	8.1	5	Prepared and fresh produce, sauces and seasonings
Supplier E ⁽⁵⁾	Malaysia	3,778	7.3	5	Prepared and fresh produce
Shizusan Pack System (M) Sdn Bhd	Malaysia	3,468	6.7	5	Packaging materials
Total		39,618	76.1		

FYE 31 March 2024

Supplier name	Country of origin	RM'000	%	Length of relationship as at the LPD ⁽¹⁾ (years)	Input materials purchased
Supplier AB ⁽²⁾	Malaysia	25,047	37.4	5	Prepared and fresh produce
Supplier E ⁽⁵⁾	Malaysia	8,196	12.3	5	Prepared and fresh produce
Supplier C ⁽³⁾	Malaysia	7,812	11.7	5	Sauces and seasonings, prepared and fresh produce
Supplier D ⁽⁴⁾	Malaysia	7,245	10.8	5	Prepared and fresh produce, sauces and seasonings
Supplier F ⁽⁶⁾	Malaysia	4,460	6.7	5	Dry food ingredients
Total		52,760	78.9		

7. BUSINESS OVERVIEW (Cont'd)**FYE 31 March 2025**

Supplier name	Country of origin	RM'000	%	Length of relationship as at the LPD ⁽¹⁾ (years)	Main input materials purchased
Supplier AB ⁽²⁾	Malaysia	27,442	32.7	5	Prepared and fresh produce
Supplier C ⁽³⁾	Malaysia	12,883	15.3	5	Sauces and seasonings, prepared and fresh produce
Supplier E ⁽⁵⁾	Malaysia	11,066	13.2	5	Prepared and fresh produce
Supplier D ⁽⁴⁾	Malaysia	8,675	10.3	5	Prepared and fresh produce, sauces and seasonings
Supplier F ⁽⁶⁾	Malaysia	6,096	7.3	5	Dry food ingredients
Total		66,162	78.7		

Notes:

- (1) Rounded up to the nearest whole year if the length of relationship is 6 months or more and vice versa.
- (2) Supplier AB comprises 2 companies incorporated in Malaysia with a common shareholder which are involved in trading of foodstuffs and frozen foods. The names of Supplier AB have not been disclosed pursuant to the non-disclosure agreements entered into with Supplier AB. Supplier AB are not listed on any stock exchanges.
- (3) Supplier C is a company incorporated in Malaysia which is involved in the trading of food items including rice, cooking oil, meat and frozen seafood. The name of Supplier C is not disclosed pursuant to the non-disclosure agreement entered into with Supplier C. Supplier C is not listed on any stock exchanges.
- (4) Supplier D is a company incorporated in Malaysia which is involved in the trading of food products. The name of Supplier D has not been disclosed pursuant to the non-disclosure agreement entered into with Supplier D. Supplier D is not listed on any stock exchanges.
- (5) Supplier E is a company incorporated in Malaysia which is involved in the distribution and retailing of general edible products. The name of Supplier E has not been disclosed pursuant to the non-disclosure agreement entered into with Supplier E. Supplier E is a subsidiary of a company listed on the Tokyo Stock Exchange.
- (6) Supplier F is a company incorporated in Malaysia which is involved in the importation and distribution of rice and fresh goods and other business activities. The name of Supplier F has not been disclosed pursuant to the non-disclosure agreement entered into with Supplier F. Supplier F is not listed on any stock exchanges.

For each of the Financial Years Under Review, the purchases from our top 5 major suppliers accounted for 76.1%, 78.9% and 78.7% of our total purchases for the Financial Years Under Review. For the Financial Years Under Review, Supplier AB was the largest supplier by virtue of our purchases from them which accounted for 41.6%, 37.4% and 32.7% of the total purchases of input materials for the FYE 31 March 2023, the FYE 31 March 2024 and the FYE 31 March 2025, respectively. Notwithstanding, we are not dependent on and not subject to any concentration risk with respect to Supplier AB due to the reasons set out below:

- (i) **multiple supplier base:** We source input materials such as intermediate processed food products and ingredients from multiple suppliers. In addition to Supplier AB, we also have similar arrangements with 3 other major suppliers, namely Supplier C, Supplier D and Supplier E in respect of importation of selected ingredients as well as the provision of temperature-controlled storage and logistics services to our outlets.

7. BUSINESS OVERVIEW (Cont'd)

- (ii) **availability of alternative food suppliers:** The input materials purchased from Supplier AB are intermediate processed food products and ingredients where we are able to source them from other suppliers (including domestic distributors or importers), if the need arises.
- (iii) **no exclusive contracts:** We do not have any exclusive purchasing agreements with any one supplier that could prevent us from switching suppliers.
- (iv) **proactive procurement practices:** We adopt centralised procurement and price benchmarking to optimise purchases from our supplier base. We also carry out periodic review of purchase prices.

Furthermore, during the Financial Years Under Review, our purchases from Supplier AB is declining in terms of percentage of our purchases.

7.20 EMPLOYEES

As at the LPD, our Group employs a total workforce of 1,176 employees, comprising 1,174 permanent employees and 2 contractual employees. Further, out of the 1,174 employees, 220 are foreign employees.

The breakdown of our employees by business function/department as at the LPD are as follows:

Business function/ department	Local	Foreign	Total
Head office			
Key Senior Management and Heads of Department	13	0	13
Administrative employees	25	0	25
Operations			
Managers	22	1	23
Service Crews	896 ⁽¹⁾	219	1,115
Total	956	220	1,176

Note:

(1) Includes 2 contractual employees

None of our employees belong to any labour union. During the Financial Years Under Review and up to the LPD, there have been no industrial disputes pertaining to our employees.

7.21 TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS

As at the LPD, we have registered 8 material trademarks and submitted an application for 1 material trademark with MyIPO in Malaysia, being the principal market that we operate which are set out in Annexure A of this Prospectus. Save as disclosed in Annexure A of this Prospectus, our Group is not dependent on any other trademarks, brand names and intellectual property rights including patents and copyrights which could materially affect our business or profitability.

7. BUSINESS OVERVIEW (Cont'd)

7.22 MATERIAL PROPERTIES AND MATERIAL EQUIPMENT

Details of our material properties are set out in Annexure B of this Prospectus.

As at the LPD, our Group does not own any material plants and equipment.

7.23 MAJOR CERTIFICATES, LICENCES, PERMITS AND APPROVALS

We have various licences, permits and approvals for our business operations. Details of our major certificates, licences, permits and approvals are set out in Annexure C of this Prospectus. Save as disclosed in Annexure C of this Prospectus, as at the LPD, our Group is not dependent on any other major certificates, licences, permits and approvals for our business operations.

7.24 GOVERNING LAWS AND REGULATIONS

Our business is regulated by specific laws of Malaysia. The relevant laws and regulations governing our Group which do not purport to be an exhaustive description of all laws and regulations to which our business is subject to are summarised below. It is not intended to be a substitute for independent professional advice. Non-compliance with the relevant laws and regulations below may result in monetary and/or custodial penalties and/or other orders being made. Please refer to Section 7.25 of this Prospectus for further details on non-compliances with the relevant laws, regulations, rules and requirements governing the conduct of the operations of our Group.

(i) **Local Government Act 1976, Local Government Ordinance 1961 of Sabah, Trades Licensing Ordinance 1949 of Sabah, Local Authorities Ordinance 1996 of Sarawak, Businesses, Professions and Trades Licensing Ordinance 1958 of Sarawak and the by-laws of the respective local councils and authorities**

It is a legal requirement under the Local Government Act 1976, Local Government Ordinance 1961 of Sabah, Trades Licensing Ordinance 1949 of Sabah, Local Authorities Ordinance 1996 of Sarawak, Businesses, Professions and Trades Licensing Ordinance 1958 of Sarawak, and the by-laws of the respective councils and authorities applicable to where our *Empire Sushi* outlets are located that business and signage licences shall be obtained prior to the commencement of our *Empire Sushi* outlets. No person shall operate any activity of trade, business and industry or use any place or premises for any activity of trade, business and industry without a licence issued pursuant to the relevant by-laws. Generally, these business and signage licences are valid for a period of 6 or 12 months and renewable on a bi-annual or annual basis. Any person who contravenes any provision under the act, ordinances and/or by-laws as mentioned above shall, upon conviction, be liable to a monetary fine and/or imprisonment.

(ii) **Food Act 1983, Food Regulations 1985 and Food Hygiene Regulations 2009**

The Food Act 1983 and the Food Regulations 1985 are laws governing the food safety and quality control including standards, hygiene, import and export, advertisement and accreditation of laboratories. The objective is to protect the public from health hazards and fraud in the preparation, sale and use of foods and for other related matters. The legislation applies to all foods, locally produced or imported, which are sold in the country. It covers a broad spectrum from compositional standards to food additives, nutrient supplements, contaminants, packages and containers, food labelling, procedure for taking samples, food irradiation, provision for food not specified in the regulations and penalties.

7. BUSINESS OVERVIEW (Cont'd)

The Food Hygiene Regulations 2009 governs the registration of food premises and conduct and maintenance of food premises in Malaysia. No person shall use any food premises specified in the Food Hygiene Regulations 2009 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 except the premises is registered under the Food Hygiene Regulations 2009. A certificate of registration for food premises shall be valid for a period not exceeding 3 years from the date of its issuance. An application for renewal of a certificate of registration for food premises shall be made at least 30 days before its expiry date. Any proprietor, owner, occupier of food premises who fails to comply with any provision under the act and/or regulations as mentioned above shall, upon conviction, be liable to a monetary fine and/or imprisonment.

(iii) **SDBA, Uniform Building By-Laws 2022 under the Local Government Ordinance 1961 of Sabah, and Buildings Ordinance 1994 of Sarawak ("Building Laws")**

The Building Laws is enforced by the local authorities of Malaysia and it provides for the requirement of having a CCC or equivalent for the occupation of any building or any part thereof. Any person who occupies or permits to be occupied any building or any part thereof without a CCC shall, upon conviction, be liable to a monetary fine and/or imprisonment.

(iv) **Trade Descriptions Act 2011, Trade Descriptions (Definition of Halal) Order 2011 and Trade Descriptions (Certification and Marking of Halal) Order 2011**

The Trade Descriptions Act 2011 aims to promote good trade practices and protect the interests of consumers by eliminating false trade descriptions and false or misleading statements, conduct and practices in relation to the supply of goods and services. Halal certification and surveillance in Malaysia have been assigned to the government bodies by virtue of the act.

The Trade Descriptions Act 2011 further standardises the issuance of Halal certificates. JAKIM is appointed as the sole issuer of Halal certificates for any food, goods or related services.

The Trade Descriptions (Definition of Halal) Order 2011 and the Trade Descriptions (Certification and Marking of Halal) Order 2011 give specific legal proviso on matters pertaining to Halal. It provides protection to traders and consumers from unhealthy trade practices. Any person who contravenes any provision under the act and/or orders as mentioned above shall, upon conviction, be liable to a monetary fine and/or imprisonment.

7. BUSINESS OVERVIEW (Cont'd)**(v) Personal Data Protection Act 2010**

The Personal Data Protection Act 2010 regulates the processing of personal data in commercial transactions in Malaysia. Such personal data refers to any information that relates directly or indirectly to a data subject, who is identified or identifiable from that information or from that and other information in the possession of a data controller, including any sensitive personal data and expression of opinion about the data subject. The processing of personal data by a data controller must comply with the personal data protection principles as provided under the Personal Data Protection Act 2010. Our Group from time to time collects, stores and processes certain personal data of our consumers when they place orders through our mobile application. Therefore, we are required to comply with the personal data protection principles as provided under the Personal Data Protection Act 2010. Any person who fails to comply with any provision under the act as mentioned above shall, upon conviction, be liable to a monetary fine and/or imprisonment.

(vi) Occupational Safety and Health Act 1994 (“OSHA 1994”)

The OSHA 1994 provides provisions for securing the safety, health and welfare of persons at work, for protecting others against risk to safety or health in connection with the activities of persons at work and for matters connected therewith and applies to all places of work throughout Malaysia save for the work specified in the OSHA 1994.

Employers and every self-employed person must as far as be practicable, ensure the safety, health and welfare at work of all their employees by (including but without limitation):

- (a) the provision and maintenance of plant and systems of work that are, so far as is practicable, safe and without risks to health;
- (b) the making of arrangements for ensuring, so far as is practicable, safety and absence of risks to health in connection with the use or operation, handling, storage and transport of plant and substances;
- (c) the provision of such information, instruction, training and supervision as is necessary to ensure, so far as is practicable, the safety and health at work of their employees;
- (d) so far as is practicable, as regards any place of work under the control of the employer, the maintenance of it in a condition that is safe and without risks to health and the provision and maintenance of the means of access to and egress from it that are safe and without such risks;
- (e) the provision and maintenance of a working environment for their employees that is, so far as is practicable, safe, without risks to health, and adequate as regards facilities for their welfare at work; and
- (f) the development and implementation of procedures for dealing with emergencies that may arise while their employees are at work.

Failure to comply with any of the above provisions constitutes an offence and the employer is liable to a fine not exceeding RM500,000 or to imprisonment for a term not exceeding 2 years or to both.

7. BUSINESS OVERVIEW (Cont'd)

Employers who have 5 or more employees at places of work that have not been so gazetted, are required to appoint an employee to act as an occupational safety and health coordinator to coordinate occupational safety and health issues at the workplace. Any person who contravenes any of the above will be guilty of an offence and will, on conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 6 months or to both.

Every employer is required to establish a safety and health committee if there are 40 or more persons employed at the place of work or if directed by the Director General of Occupational Safety and Health, failing which the employer shall be guilty of an offence and will, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 1 year or to both. The safety and health committee will, among others, keep under review the measures taken to ensure the safety and health of persons at the workplace.

(vii) **Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 ("EMSHAA")**

The EMSHAA prescribes the minimum standards of housing, nurseries and accommodation for employees as well as health, hospital, medical and social amenities to be provided by the employers to their employees.

Effective from 1 June 2020, pursuant to the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019 ("**Amended Act**"), employers are required to comply with the Amended Act, which includes providing minimum requirements for workers' accommodation such as minimum space requirements, basic facilities as well as safety and hygiene standards.

The EMSHAA provides that no employer or centralised accommodation provider shall use any buildings as accommodation if the building is unfit for human habitation in accordance with the relevant laws. The employer or centralised accommodation provider shall ensure that every accommodation provided for employees complies with the minimum standards required under the Amended Act or any regulations made thereunder.

Pursuant to the EMSHAA, no accommodation shall be provided to an employee unless it is certified with a certificate for accommodation. As such, employers or centralised accommodation providers are required to apply for a certificate for accommodation with the respective JTK in Malaysia. An employer who contravenes the EMSHAA commits an offence and shall on conviction be liable to a fine not exceeding RM50,000. However, based on the frequently asked questions published on the website of JTK, the EMSHAA is only applicable to employers in Peninsular Malaysia and Labuan.

(viii) **Employment Act 1955 ("EA 1955") and Immigration Act 1959/63 ("IA 1959/63")**

The EA 1955 governs the employment laws in Peninsular Malaysia and the IA 1959/63 regulates various aspects of immigration into Malaysia, including the entry of foreign workers into Malaysia.

Section 60K(1) of the EA 1955 provides that no employer shall employ a foreign employee unless prior approval has been obtained from the Director General of Labour ("**DGL**"). Section 60K(5) of the EA 1955 provides that any employer who contravenes Section 60K(1) of the EA 1955 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.

7. BUSINESS OVERVIEW (Cont'd)

Section 55B(1) of the IA 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 1 year or both for each such employee. Section 55B(3) of the IA 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.

7.25 NON-COMPLIANCES WITH THE RELEVANT LAWS, REGULATIONS, RULES AND REQUIREMENTS GOVERNING THE CONDUCT OF THE OPERATIONS OF OUR GROUP

Save as disclosed below, as at the LPD, there are no other non-compliances with the relevant laws, regulations, rules and requirements governing the conduct of the operations of our Group:

7.25.1 Properties rented or provided as accommodation without issued Certificates for Accommodation ("CA")

As at the LPD, we have rented 23 properties as accommodation for Empire Sushi's employees, of which:

- (i) 21 properties have been issued with CAs; and
- (ii) 2 properties have not been issued with CAs.

As at the LPD, we have submitted applications for the issuance of CAs for the remaining 2 properties rented by Empire Sushi as accommodation for its employees to the JTK.

Subsequently on 27 September 2025, we have received the issued CA for 1 out of the 2 properties for which CAs are applied for as at the LPD. As such, only 1 property rented as accommodation for Empire Sushi's employees in Johor Bahru, Johor is pending the issuance of CA as at 27 September 2025.

Based on previous applications submitted for CAs for accommodations in Johor, the approval for CAs has been obtained within an average of 1 month from the submission of application. Notwithstanding, Empire Sushi has submitted all the applications together with all the required supporting documents and has been actively following up with JTK for the applications for CAs to be approved soonest possible.

Pursuant to Section 24D(3) of EMSHAA, Empire Sushi may be liable on conviction to a fine not exceeding RM50,000 per offence. Accordingly, the potential maximum penalty that may be imposed on Empire Sushi for this non-compliance is approximately RM50,000.

As at 27 September 2025, our Group has not received any notices, penalties, or compounds from the relevant authorities in relation to the same. The potential maximum penalty of RM50,000 that may be imposed by the authority also only represents approximately 0.1% of our Group's PBT for the FYE 31 March 2025 and therefore this non-compliance would not have a material adverse impact on our Group.

7. BUSINESS OVERVIEW (Cont'd)

7.25.2 Our Company did not appoint an Occupational Safety and Health Coordinator ("OSHA Coordinator") at our *Empire Sushi* outlets with 5 or more employees

As at the LPD, we have 131 *Empire Sushi* outlets (excluding 1 outlet operating under the consignment basis), out of which 71 *Empire Sushi* outlets operate with 5 or more employees. We have not appointed an employee as the OSHA Coordinator for each of the 71 *Empire Sushi* outlets.

As at 27 September 2025, Empire Sushi has completed the trainings and appointed 70 out of 71 identified employees from the *Empire Sushi* outlets with 5 or more employees as the OSHA Coordinators for the respective outlets. The certification and registration of the appointed OSHA Coordinators with DOSH are in progress. Unfortunately, due to the recent flood in Kota Kinabalu, Sabah, the training and certification for the remaining 1 employee designated to be the OSHA Coordinator at Imago Shopping Mall outlet has been postponed to a later date. Our Group expects to complete the training and certification for the said employee by end October 2025.

Pursuant to Section 29A(4) of the OSHA 1994, Empire Sushi may be liable on conviction to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 6 months or to both. Accordingly, the potential maximum penalty that may be imposed on Empire Sushi is approximately RM50,000.

As at 27 September 2025, our Group has not received any notices, penalties, or compounds from the relevant authorities in relation to the same. The potential maximum penalty of RM50,000 that may be imposed by the authority also only represents 0.1% of our Group's PBT for the FYE 31 March 2025 and therefore this non-compliance would not have a material adverse impact on our business operations and financial condition.

7.25.3 Our foreign workers are not working at the respective locations as specified in their work permits

As at the LPD, 218 foreign workers employed by Empire Sushi are not working at the location specified in their respective work permits. Most of the work permits state the address of head office and is not outlet specific.

Pursuant to Section 55B(2) of the IA 1959/63, a pass lawfully issued to any person shall cease to be a valid pass when any of its terms and conditions is contravened.

As at the LPD, we have submitted applications to the Immigration Department of Malaysia to update the location of work for these 218 foreign workers. The estimated time to rectify this non-compliance is approximately up to 6 months from the date of the respective applications.

Pursuant to Section 55B(1) of the IA 1959/63, Empire Sushi may 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 1 year or to both for each employee. Accordingly, the potential maximum penalty that may be imposed on Empire Sushi is approximately RM10,900,000.

As at the LPD, our Group has not received any notices, penalties, or compounds from the relevant authorities in relation to the same. Although the potential maximum penalty represents approximately 21.3% of our Group's PBT for the FYE 31 March 2025, in view that our Group has submitted applications for the change of address on the relevant foreign workers' work permits which are pending approval, the risk of our Group being imposed maximum penalty is low and therefore this non-compliance would not have a material adverse impact on our business operations and financial condition.

7. BUSINESS OVERVIEW (Cont'd)**7.25.4 Non-issuance of business premise licenses for several of our external storerooms/storage spaces**

As at the LPD, 24 out of 38 our external storerooms/storage spaces (or approximately 63.2%) have not been issued with the required business premise licenses. Subsequent to the LPD i.e. as at 26 September 2025, we have obtained additional 8 business premise licenses which totals to 22 out of the 38 required. As such, a total of 16 applications for business premise licences for our external storerooms/storage spaces are pending approval as at 26 September 2025. The estimated time to rectify this non-compliance is approximately 3 months from the date of submission of the relevant applications.

Pursuant to the by-laws of the respective local municipal councils where the external storerooms/storage spaces are located at, as a general penalty, Empire Sushi may be liable on conviction to a fine not exceeding RM2,000 or to imprisonment for a term not exceeding 1 year or both, and in the case of a continuing offence, to a fine not exceeding RM200 for each day during which the offence is continued after conviction. The potential maximum penalty that may be imposed on Empire Sushi for this non-compliance is approximately RM32,000 (excluding the penalties of RM200 per day for continuing offence upon conviction).

As at the 27 September 2025, our Group has not received any notices, penalties, or compounds from the relevant authorities in relation to the same. In view that the total estimated cost of rectification of RM2,400 and the potential maximum penalty of RM32,000 that could be imposed by the authority only represent approximately 0.1% of our Group's PBT for the FYE 31 March 2025, this non-compliance would not have a material adverse impact on our business operations and financial condition.

7. BUSINESS OVERVIEW (Cont'd)

7.25.5 Summary of the total estimated costs (being the estimated rectification costs and potential maximum penalties applicable) relating to the abovementioned non-compliances that are pending rectification as at 27 September 2025

No.	Nature of non-compliances	Estimated cost to rectify non-compliance (RM'000)	Potential maximum penalty (RM'000)	Total estimated costs (RM'000)	% of our Group's PBT for the FYE 31 March 2025
(1)	Property rented or provided as accommodation without CA	n.a.	50	50	0.1
(2)	Failure to appoint an OSHA Coordinator at <i>Empire Sushi</i> outlets with 5 or more employees	1	50	51	0.1
(3)	Foreign workers not working at the respective locations specified in the work permits	45	10,900	10,945	21.4
(4)	Non-issuance of business premise licenses for several of our external storerooms/storage spaces	2	32	34	0.1
Total		48	11,032	11,080	21.7

7.25.6 Overall financial impact of the outstanding non-compliances

(i) Impact of the total estimated rectification cost

The total estimated rectification costs for the abovementioned non-compliances of approximately RM48,000 will not have material adverse impact to the financial condition of our Group as it represents less than 1.0% of our Group's PBT for the FYE 31 March 2025.

7. BUSINESS OVERVIEW (Cont'd)**(ii) Impact of the total potential maximum penalties**

The total potential maximum penalties for the abovementioned non-compliances is approximately RM11.0 million (representing approximately 21.6% of our Group's PBT for the FYE 31 March 2025), where RM10.9 million (representing approximately 21.3% of our Group's PBT for the FYE 31 March 2025) is relating to total potential maximum penalty for the non-compliance disclosed in Section 7.25.3 of this Prospectus.

Notwithstanding the above, our Board is of the opinion that the probability of our Group being imposed with the maximum penalties is low as:

- (a) as at the LPD, our Group has not received any notices, penalties, or compounds from the relevant authorities in relation to any of the non-compliances;
- (b) the potential maximum penalties relating to the non-compliances disclosed in Sections 7.25.1, 7.25.2 and 7.25.4 of this Prospectus will not have material adverse impact to our Group's financial condition as they represent less than 1.0% of our Group's PBT for the FYE 31 March 2025, respectively; and
- (c) although the potential maximum penalty relating to the non-compliance disclosed in Section 7.25.3 of this Prospectus is approximately 21.3% of our Group's PBT for the FYE 31 March 2025, in view that our Group has submitted applications for the change of address on the relevant foreign workers' work permits which are pending approval, the risk of our Group being imposed maximum penalty is low and therefore this non-compliance would not have a material adverse impact on our business operations and financial condition.

(iii) Overall impact of the outstanding non-compliances to business operations of our Group

The non-compliances are not expected to have material adverse impact on our Group's business operations in view that:

- (a) in respect of the non-compliance disclosed in Section 7.25.1 of this Prospectus, in view that only 1 rented property currently housing 3 employees are affected, should the application submitted to JTK be rejected, our Group will still be able to relocate our employees to other suitable properties;
- (b) in respect of the non-compliance disclosed in Section 7.25.2 of this Prospectus, in view that the training, certification and registration of the remaining OSHA Coordinator in Sabah is expected to be completed by end October 2025, our Group does not expect any significant impact on our business operations from the said outlet should it be subject to temporary closure by DOSH until the matter is resolved;
- (c) in respect of the non-compliance disclosed in Section 7.25.3 of this Prospectus, our Group is able to furnish sufficient documentary evidence that the application for change of address on the foreign workers work permits have been submitted and pending approval in event of by inspections by officers from the Immigration Department of Malaysia; and

7. BUSINESS OVERVIEW (Cont'd)

- (d) in respect of the non-compliance disclosed in Section 7.25.4 of this Prospectus, our Group also has on-site storage space at its outlets with chiller and freezers that it could utilise to store ingredients. The 16 affected storerooms which are located within shopping centres, hypermarkets, airport retail mall and transit hub malls serve to provide extra space for inventory and should our Group need to vacate the storerooms pending the approval for business premise licences, we will still be able to store sufficient ingredients at the respective outlets and make logistic arrangements for more frequent deliveries with smaller quantities to the affected outlets.

7.25.7 Steps taken or to be taken to rectify the non-compliances and prevent recurrence of such non-compliances

As our Group endeavours to fully comply with the applicable laws, rules and regulations in respect of the conduct of the operations of our Group, apart from undertaking steps to rectify the non-compliances as disclosed in Sections 7.25.1 to 7.25.4 of this Prospectus, we have engaged an internal control consultant to assess the adequacy and effectiveness of our Group's internal control and risk management systems, and review our Group's corporate governance and compliance systems, including the related policies and procedures established to enhance compliance practices.

As at the LPD, apart from the non-compliances disclosed in Sections 7.25.1 to 7.25.4 of this Prospectus, Sterling Business Alignment Consulting Sdn Bhd's review has not identified any critical weaknesses in the design or functioning of our Group's internal control systems.

To mitigate the recurrence of such non-compliances, our Group has developed compliance monitoring policies and procedures. All relevant heads of departments are responsible for obtaining, renewing, monitoring and ensuring compliance with all regulatory approvals, while keeping our CFO informed on the updated records in the shared system. Our CFO reviews the master listing, conducts regular periodic checks, coordinates with the respective departments, provides necessary guidance and support and ascertain that it remains up-to-date with the latest changes or amendments to relevant acts and regulations.

Notwithstanding that the outstanding non-compliance may remain unresolved at the time of our Listing, we will continue to engage with the relevant authorities/parties even after our Listing to resolve and address the outstanding non-compliance in accordance with the directions of the relevant authorities/parties. Our management is following up closely and liaising with relevant authorities/parties to resolve the said non-compliance in the best interest of our Company.

7.26 ENVIRONMENTAL MATTERS

As at the LPD, there are no environmental issues which may materially affect our Group's operation and usage of properties tenanted by our Group.

7.27 ESG PRACTICES AND INITIATIVES

We strive to adopt the following ESG practices to ensure environmentally responsible operations, a conducive workplace for employees, and to support the local communities.

7. BUSINESS OVERVIEW (Cont'd)

(i) Environmental

Our Group is committed to reducing our environmental footprint through packaging, waste management and resource efficiency initiatives. Our Group is progressively implementing biodegradable, compostable and recyclable packaging for all our outlets while also promoting sustainability initiatives through social media to further reduce plastic consumption. These efforts align with our Group's broader objective of integrating sustainability into the daily customer experiences.

Food waste reduction is another key priority for our business. Our Group has implemented demand forecasting systems and a wastage control framework to minimise overproduction and optimise inventory usage. Our Group also emphasises efficient energy and water usage in our operations. Certain outlets are fitted with LED lighting, thus reducing utility consumption. Our Group views these improvements as long-term cost-saving investments that reinforce our environmental responsibility. The enhanced features of our mobile application allow customers to place orders for pickup or delivery, helping to manage in-store crowds and improve service efficiency.

(ii) Social

Our Group prioritises fair and ethical labour practices and culture as the foundation of our workforce management. Our Group ensures fair wages, benefits and safe working conditions across all outlets, supported by proper training in food hygiene and safety. Structured human resources SOPs and employee handbook for our head office and operations as well as foreign worker management SOPs, further safeguard ethical recruitment, housing and welfare standards, reflecting our Group's responsibility towards all our employees. This commitment ensures that our Group remains an employer of choice in the food retail sector.

Health and safety form a critical part of our Group's operational strategy. Workplace safety and employee well-being are overseen by a dedicated OSHA committee, guided by our Group's Safety and Health Policy, Safety SOPs and a comprehensive Safety Administration Manual. We also implement regular training sessions and refresher programs to ensure that our employees are well-equipped to handle workplace risks and maintain high food safety standards. These measures are in line with the expectations of regulators and consumers, underscoring our Group's commitment to maintaining safe and responsible operations.

In addition to workplace safety, our Group places the highest priority on customer health and safety, with food safety embedded as a fundamental principle across all operations. To uphold this commitment, our Group has implemented and standardised Food Safety and Quality Policy and operation manuals that guide food preparation, handling and service processes to safeguard public health, strengthen consumer trust and reinforce our standing as a responsible and reliable food operator. Our Group has proactively identified, monitored and mitigated potential risks across the production chain. This structured approach not only ensures compliance with food safety regulations but also reflects our strong commitment to transparency, accountability and ESG practices.

Our Group values our employees by recognising their loyalty and contributions through various appreciation initiatives such as festive gifts and birthday celebrations to foster a positive work environment.

7. BUSINESS OVERVIEW (Cont'd)

In response to evolving consumer preferences, we have expanded our menu to include various choices for customers. These offerings complement the brand's existing affordable sushi options, reinforcing our commitment to "Premium Sushi for Everyone" by ensuring accessibility without compromising on quality. Through this strategy, we strengthen our market appeal while positioning ourselves as a responsible food provider.

Our Group actively engages with customers through initiatives that foster awareness, inclusivity and sustainable practices. Social media campaigns are organised in conjunction with key occasions such as for Mother's Day, Father's Day, Independence Day and Malaysia Day which are designed to celebrate communities and strengthen social connection with our customer base. In addition, our mobile application features reward points programme that enables customers to accumulate and redeem points for future purchases. This initiative not only promotes customer loyalty but also encourages sustainable dining habits by reducing reliance on one-time promotions and supporting long-term customer relationships. Beyond customer engagement, our Group contributes to the broader community through corporate social responsibility activities, sponsorship of local events and provision of healthy sushi options to charities for underprivileged individuals. Our Group also participated in the Bee Adoption Program, engaged in tree planting activity and took part in a special initiative with Hospital Sungai Buloh to donate a playground, all contributing to the well-being of the community.

(iii) Governance

Our Group maintains strong governance structures that emphasise transparency, compliance and ethical conduct. The adoption of an Anti-Bribery and Corruption Policy underscores our Group's zero-tolerance approach to unethical practices. A complementary Whistleblowing Policy provides employees and stakeholders with a secure channel to report misconduct without fear of retaliation.

Ethical sourcing practices form another pillar of governance. Where feasible, ingredients and sourcing details are clearly labelled on packaging, and our Group works only with suppliers that adhere to ethical labour and environmental standards. As at the LPD, 112 of our outlets are Halal-certified, which comply with Halal standards and regulations set by the JAKIM. Our Group also maintains strict health and safety compliance, with 2 outlets already holding HACCP certification and conducts regular audits to ensure adherence to cleanliness and sustainability standards. These steps strengthen consumer trust while meeting regulatory expectations.

Technology and data protection are critical enablers of our Group's governance. A Data Disaster Recovery Plan and Information Security and Incident Management Policy safeguard customer data and ensure operational resilience. Our Group continues to digitalise our processes, including e-receipts and QR-code menus, reducing paper usage and enhancing efficiency. In addition, our Group promotes diversity and inclusion by supporting equal employment opportunities, encouraging women in leadership roles and fostering a diverse workforce across outlets.

To ensure resilience, our Group has established monitoring systems for operational, financial, ESG and reputational risks. This framework allows our management team to identify vulnerabilities, design preventive measures and respond effectively to emerging challenges. The proactive approach enhances business continuity and protects stakeholder interests, enabling sustainable long-term growth.

In addition, our Group has also adopted recommendations under the MCCG. As at the LPD, more than half of our Board's members comprise independent Directors, where

7. BUSINESS OVERVIEW *(Cont'd)*

4 out of 6 of our directors are independent Directors. Our Company has also adopted the MCCG's recommendation to have at least 30% women Directors. As at the LPD, 3 out of 6 of our directors are women, accounting for 50% of our Board.